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//// MINUTES
REGULAR MEETING
/// BUDGET COMMITTEE
// BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JANUARY 3, 1996 - 1:00 P.M. ROOM 410, VETERANS BUILDING
401 VAN NESS AVENUE

MEMBERS: SUPERVISORS HSIEH, KAUFMAN, BIERMAN

CLERK: GREGOIRE HOBSON

DOCUMENTS DEPT.

TIME MEETING CONVENED: 1:04 P.M.

AUG 27 1996

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RELEASE OF RESERVES

1. File 101-94-40.1. [Reserved Funds, Department of Public Works]
Consideration of release of reserved funds, Department of Public Works (1992 Fire Protection Bond Proceeds), in the amount of \$256,000 to fund Fire Station No. 3 construction contract. (Department of Public Works)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$256,000 APPROVED. FILED.

VOTE: 3-0.

2. File 101-95-15.1. [Reserved Funds, Department of Public Works]
Consideration of release of reserved funds, Department of Public Works (Trust Fund and various Sewer Revenue Bond Funds), in the amount of \$2,192,800 for the demolition of the Richmond/Sunset Sewage Treatment Plant. (Department of Public Works)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$2,192,800 APPROVED. FILED.

VOTE: 3-0.

CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
SPECIAL MESSAGE
JANUARY 1, 1911

RECEIVED JANUARY 1, 1911 10:15 AM
BY THE CITY CLERK

MEMORANDUM FOR THE BOARD OF SUPERVISORS

CLERK: THEODORE BROWN

THE BOARD OF SUPERVISORS

REPORT OF THE BOARD OF SUPERVISORS

The Board of Supervisors has the honor to acknowledge the receipt of the report of the Board of Directors of the San Francisco Public Works Department, dated January 1, 1911, and to express its appreciation of the same.

The Board of Supervisors has also the honor to acknowledge the receipt of the report of the Board of Directors of the San Francisco Public Works Department, dated January 1, 1911, and to express its appreciation of the same.

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Yours truly,

The Board of Supervisors has the honor to acknowledge the receipt of the report of the Board of Directors of the San Francisco Public Works Department, dated January 1, 1911, and to express its appreciation of the same.

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Yours truly,

BONDS

3. File 170-94-10.1. [Asian Art Museum Bonds] Resolution declaring the intent of the City and County of San Francisco to reimburse certain expenditures for the Asian Art Museum Project from proceeds of future indebtedness; and authorizing the Chief Administrative Officer to develop a plan of finance. (Chief Administrative Officer) COMPANION TO THE FOLLOWING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

4. File 170-95-13. [Earthquake Safety Bonds, 1989] Resolution declaring the intent of the City and County of San Francisco to reimburse certain expenditures for the Asian Art Museum Project from proceeds of future indebtedness; and authorizing the Chief Administrative Officer to develop a plan of finance. (Chief Administrative Officer) (COMPANION TO THE PRECEDING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

GENERAL ITEMS

5. File 97-95-69. [Cash Revolving Fund - Sheriff/Inmate Welfare] Ordinance amending the Administrative Code by adding Section 10.164-1, creating the Sheriff's Inmate Welfare Cash Revolving Fund in the amount of \$10,000. (Office of the Sheriff)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst; Sergeant Richard Ridgeway, Sheriff's Department. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

6. File 97-95-70. [Cash Revolving Fund - Sheriff] Ordinance amending the Administrative Code by amending Section 10.164, increasing the Sheriff's Cash Revolving Fund from \$6,000 to \$8,000. (Office of the Sheriff)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst; Sergeant Richard Ridgeway, Sheriff's Department. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

HEARINGS

7. File 100-95-15. [Fiscal Impact to City of 1995 Storms] Hearing to consider the fiscal impact to the City of the March and December 1995 storms, including damages to Golden Gate Park, the Conservatory and other City parks. (Supervisors Hsieh, Bierman, Kaufman, Migden)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst; Frank Schober, Mayor's Office of Emergency Services; Mary Burns, General Manager, Recreation and Park Department; Ed Harrington, Controller; Ron de Leon, Superintendent of Parks, Recreation and Park Department; James Cooney, Assistant Superintendent of Parks, Recreation and Park Department, Robert Carlson, Department of Public Works, Todd Colburn, City Engineer, Department of Public Works. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO MAY 1, 1996.

VOTE: 3-0.

8. File 100-95-12. [Joint Report of Controller and Budget Analyst] Hearing to consider the joint report of the Controller and Budget Analyst, estimating the long-term budget impacts federal cuts will have on San Francisco's budget over the next seven (7) to nine (9) years. (Supervisor Hsieh)

(Consideration Continued from 12/20/95)

SPEAKERS: None.

ACTION: CONSIDERATION CONTINUED TO JANUARY 10, 1996, MEETING.

TIME MEETING ADJOURNED: 2:39 P.M.

58
39009
#2
1/10/96

MINUTES
REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JANUARY 10, 1996 - 1:00 P.M. ROOM 410, VETERANS BUILDING
401 VAN NESS AVENUE

MEMBERS: SUPERVISORS HSIEH, KAUFMAN, BIERMAN

CLERK: GREGOIRE HOBSON

DOCUMENTS DEPT.

TIME MEETING CONVENED: 1:11 P.M.

AUG 27

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CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Budget Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item:
 - a) File 28-96-1. [Emergency Repair, Seacliff District] Resolution authorizing the Director of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by capping a brick sewer, stabilizing a hillside and filling a hole created by earth movement in the Seacliff District. (Supervisor Shelley)
 - b) File 38-96-1. [Gift Acceptance, Police Department] Resolution authorizing the Chief of Police to accept, on behalf of the San Francisco Police Department, a redistribution gift of twelve (12) utility vehicles from the Department of the Army. (Police Commission)
 - c) File 100-95-1.4. [Reserved Funds, Dept. Building Inspection] Consideration of release of reserved funds, Department of Building Inspection (1995/96 Budget), in the amount of \$175,000 for the Code Enforcement Outreach Program contracts. (Department of Building Inspection)

ACTION: ITEMS (a) and (c) REMOVED.

ITEM (b) File 38-96-1. RECOMMENDED.

ITEM (a) File 28-96-1. HEARING HELD. RECOMMENDED.

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Steve Maiolini, Department of Public Works; John Sucich, Department of Public Works; Ed Harrington, Controller. IN SUPPORT: None. OPPOSED: None.

ITEM (c) File 100-95-1.4. HEARING HELD. CONSIDERATION CONTINUED TO JANUARY 17, 1996, MEETING.

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Frank Chiu, Department of Building Inspection; Peter Burns, Department of Building Inspection. IN SUPPORT: None. OPPOSED: None.

VOTE: 3-0.

REGULAR CALENDAR

HEARING

2. File 100-95-12. [Joint Report of Controller and Budget Analyst] Hearing to consider the joint report of the Controller and Budget Analyst, estimating the long-term budget impacts federal cuts will have on San Francisco's budget over the next seven (7) to nine (9) years. (Supervisor Hsieh)

(Consideration Continued from 1/3/96)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Ed Harrington, Controller. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO JANUARY 17, 1996, MEETING.

VOTE: 2-1. (Supervisor Bierman absent.)

BOND SALE

3. File 170-95-6.1. [General Obligation Bond Sale, Series 1996A] Resolution providing for the issuance of not to exceed \$63,590,000 aggregate principal amount of San Francisco General Obligation Bonds, Series 1996A, City Hall Improvement Program; prescribing the form and terms of such bonds; authorizing the execution, authentication and registration of said bonds; providing for the levy of a tax to pay the principal and interest thereof; providing for the appointment of depositories and other agents for said bonds; providing for the establishment of funds related thereto; authorizing and directing the sale of said bonds; approving the form of Official Notice of Sale of Bonds and Notice of Intention to Sell Bonds; directing the publication of Notice of Sale and Notice of Intention to Sell Bonds; approving the form and execution of the Official Statement relating thereto; approving the form of the Continuing Disclosure Certificate; approving modifications to documents; ratifying certain actions previously taken; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale and delivery of said bonds. (Chief Administrative Officer)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 2-1. (Supervisor Kaufman absent.)

FISCAL ITEMS

4. File 101-95-35. [Appropriation, Fire Department] Ordinance appropriating \$1,603,432, Fire Department, of 1989 Earthquake Safety Bond interest earnings for capital improvement projects (lead and asbestos abatement and construction support services) at various Fire Stations for fiscal year 1995-96. (Controller) RO #95095

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Mark Freeman, Department of Public Works; Roger Wong, Department of Public Works. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Add a Section 2, placing a reserve on \$492,397 for Fire Station No. 7 pending the selection of construction contractors, the MBE/WBE status of the contractors and finalized cost details. Add a Section 3, providing for ratification for action previously taken. AMENDED TITLE: "Ordinance appropriating \$1,603,432, Fire Department, of 1989 Earthquake Safety Bond interest earnings for capital improvement projects (lead and asbestos abatement and construction support services) at various Fire Stations for fiscal year 1995-96. Placing \$492,397 on reserve and providing for ratification of action previously taken."

VOTE: 3-0.

5. File 101-95-36. [Appropriation, Dept. Parking/Traffic] Ordinance appropriating \$266,000, Department of Parking and Traffic, from the General Fund Reserve to a capital improvement project for soil remediation at St. Mary's Square Garage for fiscal year 1995-96. (Controller) RO #95103

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Kevin Haggerty, Department of Parking and Traffic. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Add a Section 3, placing a reserve of \$190,000 pending selection of a contractor and submission of budget details and the MBE/WBE status of the contractor. AMENDED TITLE: "Ordinance appropriating \$266,000, Department of Parking and Traffic, from the General Fund Reserve to a capital improvement project for soil remediation at St. Mary's Square Garage for fiscal year 1995-96; placing a reserve of \$190,000."

VOTE: 3-0.

6. File 101-95-37. [Appropriation, Adult Probation Dept.] Ordinance appropriating \$646,424, Adult Probation Department, of Federal recurring grant revenue to salaries, fringe benefits, indirect costs, travel, training, non-personal services, materials and supplies, equipment and services of other departments for the creation of three (3) positions to implement the San Francisco Criminal Justice Treatment Network for Women for fiscal year 1995-96; providing for ratification of action previously taken. (Controller) RO #95110 (COMPANION TO THE FOLLOWING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Roy Ellender, Adult Probation Department. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Reduce total appropriation to \$609,913. On Page Three, line 10, replace "GS-Police Security" with "SF-Public Defender. Add a Section 4, placing a reserve of \$18,654 for training pending selection of a consultant, the submission of cost details, and the MBE/WBE status of the consultant. Change the classification of positions from "N" to "G". AMENDED TITLE: "Ordinance appropriating \$609,913, Adult Probation Department, of Federal recurring grant revenue to salaries, fringe benefits, indirect costs, travel, training, non-personal services, materials and supplies, equipment and services of other departments for the creation of three (3) positions to implement the San Francisco Criminal Justice Treatment Network for Women for fiscal year 1995-96; providing for ratification of action previously taken. Placing \$18,654 on reserve."

VOTE: 3-0.

7. File 102-95-9. [Salary Ordinance Amendment, Adult Probation Dept.] Ordinance amending Ordinance No. 256-95 (Annual Salary Ordinance, 1995/96), reflecting the creation of three (3) positions, 8434N Supv. Adult Probation Officer, 8442N Senior Probation Officer, 1424N Clerk Typist in the Adult Probation Department. (Department of Human Resources) (COMPANION TO THE PRECEDING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Roy Ellender, Adult Probation Department . IN SUPPORT: None. OPPOSED: None.

ACTION: AMENDED. RECOMMENDED AS AMENDED. Change the classification of positions from "N" to "G".

VOTE: 3-0.

8. File 101-95-39. [Appropriation, Civil Service Commission] Ordinance appropriating \$300,000, Civil Service Commission to conduct a classification study for the fiscal year 1995-96. (Controller) RO#95111 (See previous File 101-94-109)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Wendell Pryor, Director, Department of Human Resources; Ted Lakey, Deputy City Attorney; Mike Martin, Budget Office, Office of the Mayor. PARTIAL SUPPORT: Linda Jofuku, Local 21. OPPOSED: None.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO JANUARY 24, 1996, MEETING.

VOTE: 3-0.

TIME MEETING ADJOURNED: 3:22 P.M.

MINUTES

BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

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AUG 27 1996

SAN FRANCISCO
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REGULAR MEETING

WEDNESDAY, JANUARY 17, 1996 - 1:00 PM VETERANS BUILDING
401 VAN NESS AVENUE
ROOM 410

MEMBERS: SUPERVISORS TOM HSIEH, BARBARA KAUFMAN, SUE BIERMAN

ACTING CLERK: ROSEMARY LITTLE-HORANZY

PRESENT: Supervisors Hsieh, Kaufman, Bierman

TIME MEETING CONVENED: 1:08 P.M.

1. File 100-95-12. [Joint Report of Controller and Budget Analyst] Hearing to consider the joint report of the Controller and Budget Analyst, estimating the long-term budget impacts federal cuts will have on San Francisco's budget over the next seven (7) to nine (9) years. (Supervisor Hsieh)
(Consideration Continued from 1/10/96)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Peter Burns, Director of Department of Building Inspection; Supervisor Bierman, Board of Supervisors; Supervisor Kaufman, Board of Supervisors. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO JANUARY 24, 1996.

VOTE: 3-0.

2. File 100-95-1.4. [Reserved Funds, Dept. Building Inspection] Consideration of release of reserved funds, Department of Building Inspection (1995/96 Budget), in the amount of \$175,000 for the Code Enforcement Outreach Program contracts. (Department of Building Inspection)
(Consideration Continued from 1/10/96)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Peter Burns, Director of Department of Building Inspection; Supervisor Bierman, Member/Board of Supervisors; Supervisor Kaufman, member/Board of Supervisors. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$175,000 APPROVED. FILED.

VOTE: 3-0.

3. File 101-92-60.10. [Reserved Funds, Fire Department] Consideration of release of reserve funds, Fire Department (1992 Prop C Bond Issue Fund), in the amount of \$1,279,500 for the purpose of funding construction contract of SFFD Station No. 39. (Department of Public Works)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Superintendent James Lynch, Fire Department. CONTRACTOR REPRESENTATIVE: Mr. Wong/Chiang C. M. Construction. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$1,279,500 APPROVED. FILED.

VOTE: 3-0.

4. File 101-92-33.6. [Reserved Funds, Fire Department] Consideration of release of reserve funds, Fire Department (1986 Fire Protection Bond Fund) in the an emergency generator at Fire Station No. 39 located at 1091 Portola Drive. (Fire Department)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Superintendent James Lynch, Fire Department. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$34,424 APPROVED. FILED.

VOTE: 3-0.

5. File 101-95-40. [Appropriation, Convention Facilities Management] Ordinance appropriating and rescinding \$466,000, Convention Facilities Management Department, of Convention Facilities Funds to a capital improvement project (provide initial funding for the Moscone Expansion Project and final funding for the Convention expansion study), for fiscal year 1995-96. (Controller) RO #95121

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Jack Moerschbaecher, Director of Convention Facilities; Supervisor Bierman, Board of Supervisors; Joe LaToree, Mayors Office of Housing. John Elberling, TODCO. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Amend title, Line 4 after "study)" adding "; placing \$300,000 on reserve, providing for ratification of action previously taken." NEW TITLE: "Ordinance appropriating and rescinding \$466,000, Convention Facilities Management Department, of Convention Facilities Funds to a capital improvement project (provide initial funding for the Moscone Expansion Project and final funding for the Convention expansion study), for fiscal year 1995-96; placing \$300,000 on reserve, providing for ratification of actions previously taken."
Amend Page 1, Line 19 by adding sections 2 and 3.
"Section 2. Funds in the amount of \$300,000 are placed on reserve pending release by the Budget Committee."
"Section 3. Although the City has incurred no legal obligation under the Charter, the Board of Supervisors does hereby appropriate the funds necessary for the obligation and does hereby ratify the action previously taken."

VOTE: 3-0.

6. File 218-96-1. [Mortgage Credit Certificates] Resolution authorizing an application to the California Debt Limit Allocation Committee to permit the issuance of Mortgage Credit Certificates. (Supervisor Shelley)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Mindy Linetzky, Legislative Aide/Supervisor Shelley; Harvey Rose, Budget Analyst; Supervisor Bierman, Board of Supervisors. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.
(Supervisors Kaufman, Bierman and Hsieh added as co-sponsors.)

VOTE: 3-0.

7. File 127-96-1. [Temporary Stadium Admissions Tax] Ordinance amending San Francisco Municipal Code, Part III, Section 802A to provide that the Temporary Admission Tax may be remitted monthly or annually.

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Supervisor Bierman, Board of Supervisors. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO JANUARY 31, 1996.

VOTE: 3-0.

TIME MEETING ADJOURNED: 2:07 P.M.

CITY AND COUNTY



OF SAN FRANCISCO

DOCUMENTS DEPT.

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

SAN FRANCISCO
PUBLIC LIBRARY

January 12, 1996

TO: Budget Committee
FROM: Budget Analyst *Recomm...*
SUBJECT: January 17, 1996 Budget Committee Meeting

Item 1 - File 100-95-12

Note: This item was continued by the Budget Committee at its meeting of January 10, 1996.

This item is a hearing concerning the long-term budget impacts that Federal budgetary reductions will have on the budget of the City and County of San Francisco over the next seven to nine years.

The Controller and the Budget Analyst will orally advise the Committee on any updated information obtained regarding the impacts which pending Federal budgetary reductions will have on San Francisco.

Item 2 - File 100-95-1.4

Note: This item was continued by the Budget Committee at its meeting of January 10, 1996.

Department: Department of Building Inspection (DBI)

Item: Hearing requesting the release of reserved funds in the amount of \$175,000 for the Code Enforcement Outreach Program contracts.

Amount: \$175,000

Source of Funds: Reserved funds in the Department of Building Inspection FY 1995-96 budget.

Description: The Department of Building Inspection's FY 1995-96 budget included \$200,000, of which \$175,000 was reserved, to support a new Code Enforcement Outreach Program in order to provide information to landlords and tenants with respect to compliance with the City's Building Code. The \$175,000 was reserved pending the selection of contractors, contract cost details, and the MBE/WBE status of the contractors.

Mr. Peter Burns of DBI advises that the DBI selected the following three contractors, at a total cost of \$195,000 (out of the \$200,000 appropriation), through a Request for Proposal process, to provide (1) Code Enforcement Outreach to Landlords, (2) Code Enforcement Outreach to Tenants, and (3) Advertising/Graphics/Public Relations Outreach. Contract details for the three program components are described as follows:

Code Enforcement Outreach to Landlords

The DBI selected the San Francisco Apartment Association, a non-profit agency, to provide outreach to landlords for an amount of \$50,000 (See Attachment I, provided by DBI, for contract cost details).

Code Enforcement Outreach to Tenants

The DBI selected the Tides Foundation, a non-profit agency, to provide outreach to tenants for an amount of \$100,000 (See Attachment II, provided by DBI, for contract cost details).

Advertising/ Graphics/Public Relations Outreach

The DBI selected Jaiden Associates to provide advertising, graphic design work, and public relations outreach for an amount of \$45,000 (See Attachment III, provided by DBI, for

contract cost details). Jaiden Associates is an MBE/WBE and LBE firm.

Comments:

1. The Budget Committee requested additional justification regarding the proposed allocation of \$50,000 to the San Francisco Apartment Association. Attachment IV, provided by Mr. Burns, is a memo which addresses the need for the allocation to the San Francisco Apartment Association. The Committee also requested that a full and accurate accounting of any expenditures to be made by this Association be reported to the Committee.

2. Mr. Burns advises that the proposed funding would be used for a one year pilot Code Enforcement Outreach Program, and that future additional funds would be requested only if the DBI concludes, at the end of the one-year period, that the Code Enforcement Outreach Program was effective.

Recommendation: Approval of this request is a policy matter for the Board of Supervisors.

San Francisco Apartment Association Budget

Administrative and Office Expenses

Coordination/Administration	\$6,000	
Local Advertising costs	4,000	
Telephone and Fax Use (office)	1,200	
Telephone Hot Line	6,000	
Purchase of non-membership lists for outreach	2,000	
Printing - Announcements/Flyers	3,000	
Mailing	3,480	
Purchase of Video and Administrative Guide	500	
Meeting Costs (12)	<u>8,000</u>	
		\$34,180

Educational Offerings

Announcements	580	
Space	600	
Instructors	500	
Materials	500	
<i>Managing Rental Housing</i> Book	1,300	
Brochures	<u>1,000</u>	
		4,480

Rental Housing Industry Standards Program Participation

*Participation Fees, 200 properties @ \$25 per property	5,000	
200 Inspectors @ \$25 each	<u>5,000</u>	
		10,000

CONTINGENCY 1,340

• **TOTAL** \$50,000

* The San Francisco Apartment Association will enroll 200 properties into a State housing organization, that will provide members with information on tenant relations and building maintenance. The membership cost is \$25 per property.

Income		Expenses	
Dept. of Building Inspections	100,000.00	Salary - HC Director (25%)	7,500.00
		Salary - SPHC Director (50%)	7,500.00
		Salary - HC Program Coordinator	25,000.00
		Salary - SPHC Program Coordinator	20,500.00
		Payroll Taxes	5,275.75
		Benefits	6,224.25
		Personnel Subtotal	72,000.00
		Phone *	8,000.00
		Postage	1,800.00
		Office Supplies	1,500.00
		Equipment - computer purchase	3,020.00
		Copying/Copier Rental	1,840.00
		Staff/Volunteer Recruitment & Training	1,000.00
		Travel	840.00
		Accounting Fee	8,000.00
		Translation	2,000.00
		Non Personnel Subtotal	28,000.00
Total	100,000.00	Total	100,000.00

At this point of program development, prior to selections of awardees for the tenant and landlord portions, I can propose preliminary budget parameters. Final advertising/graphics/public relations plan can be formulated and finalized after consultations with two other awardees. Also, the monthly allocations of advertising budget can only be determined when the team is assembled and priorities can be discussed.

Based on material developed by tenant and landlord program managers, to develop and edit multi-lingual brochures \$ 5,000

Translations for flyers, posters PSA's - \$ 8,000
three languages: English, Chinese and Spanish
as appropriate

Graphics and printing cost for bus shelter and kiosk posters \$12,000

Liaison with tenant and landlord program managers,
work on publicity, media placements, and PSA's

Projection for one year:	
1st month	40 hours
2nd month	30 hours
3rd month	20 hours
through 12th month	90 hours

\$18,000

Contingencies and administrative expenses \$ 2,000

PROJECTED ESTIMATE

\$45,000



City & County of San Francisco
1660 Mission Street, San Francisco, California 94103-2414

January 12, 1996

Supervisor Tom Hsieh
Chair, Budget Committee
San Francisco Board of Supervisors
401 Van Ness Avenue, Room 320
San Francisco, CA 94102

RE: File 100-95-1.4
Reserved Funds, Dept.
of Building Inspection

Dear Supervisor Hsieh,

At the Budget Committee meeting of January 10, 1996 the Committee requested further information on the release of reserved funds (Item 1A) in the amount of \$175,000.

Specifically, the administrative and office expenses in the proposal of the the S.F. Apartment Association were discussed.

In discussion with the S.F. Apartment Association, and after reviewing their proposal, we have determined that these expenses are for this program specifically and that they are not part of the Association's ongoing program for apartment owners.

Since the majority of the Outreach for this program will be done to hotel/residential hotel owners, it is different from the Association's normal program.

The "mentors" for the owners, who will receive help under this Outreach Program, will include Apartment Association members who have both apartments and hotels. The Association advises that there are very few of these members, but that they have the knowledge and expertise to assist hotel owners with code compliance and operation.

The Department of Building Inspection does not perform this service for owners because, while it has expertise in code enforcement, it does not have the needed expertise in the operation, tenant relations, advertising, etc. that are needed in a program such as this.

This program, Code Enforcement Outreach, was conceived by the Building Inspection Commission to provide education, instead of pursuing litigation, as a more economical way to achieve code enforcement. The money is thus being spent at this time to prevent expenditures on code enforcement litigation later.

The Code Enforcement Outreach Program is a pilot program to determine the effectiveness of this approach and will be reviewed upon its conclusion by the Commission and the Department.

2.

Progress under these contracts will be reviewed on a monthly basis, with payment dependent on progress demonstrated in contacting, meeting with, and educating landlords and tenants on code enforcement. Housing Inspection Services for the Department of Building Inspection will be the lead agency in monitoring the contracts.

We will be happy to provide any further information you or the Committee members may need. Please call me at 558-6131 for any further information

Thank you for your consideration of this very important item.

Very truly yours,



Frank Chiu
Director
Department of Building Inspection

cc: Supervisor Barbara Kaufman
Supervisor Sue Bierman

Memo to Budget Committee
January 17, 1996 Budget Committee Meeting

Item 3 - File 101-92-60.10

Note: This item was continued by the Budget Committee at its meeting of December 6, 1995.

Departments: Department of Public Works (DPW)

Item: Release of reserved funds in the amount of \$1,279,500 for the purpose of funding a construction contract for Fire Station No. 39.

Amount: \$1,279,500

Source of Funds: 1992 Proposition C Fire Protection Bond Issue Fund (Series 1993D)

Description: In November of 1992, the voters approved Proposition C, authorizing the issuance of Fire Protection Bonds Series 1993D. A total of \$40.8 million in these General Obligation bonds were approved to finance improvement costs related to various Fire Department facilities.

In May of 1993, the Board of Supervisors approved an appropriation request of \$15,204,533, from the Series 1993D Fire Protection Bond funds, for various projects at Fire Stations throughout the City including seismic strengthening, disabled access improvements, and the construction of separate restroom facilities for male and female Firefighters. At the same time, the Board placed \$10,788,125 on reserve for Fire Station improvements, pending the selection of contractors, the MBE/WBE status of the contractors and contract cost details.

The proposed release of reserved funds, in the amount of \$1,279,500, would be used to pay for a portion of the construction contract and related costs, including testing and inspection costs, for renovation of Fire Station No. 39, located at 1091 Portola Drive. Total estimated project costs are \$1,648,348. The scope of work for this project includes seismic upgrading, a dormitory addition, mechanical and electrical systems improvements, disabled access, new toilet/shower facilities, asbestos abatement, installation of an emergency generator and miscellaneous exterior and interior improvements.

The Department of Public Works (DPW), has conducted a competitive bidding process for this contract and has selected Chiang C. M. Construction as the lowest responsible bidder, based on a base bid amount of \$1,256,720. Chiang C. M.

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Construction, an MBE firm, submitted the second lowest bid. The DPW advises that A. Ruiz Construction Co. & Assoc. Inc., submitted the lowest base bid in the amount of \$208,000, but subsequently withdrew its bid due to errors in the firm's bid. A. Ruiz Construction Co. & Assoc. Inc. is also an MBE firm.

Budget:

The total estimated project costs of \$1,648,348 for the renovation of Fire Station No. 39, and the installation of one emergency generator, is detailed below:

Construction Contract

Base Construction Contract	\$1,200,372	
Installation of one emergency generator	<u>56,348*</u>	
Total Construction Contract		\$1,256,720

Testing and Inspection

Asbestos abatement	\$40,000	
Materials testing	15,000	
Public affairs	5,000	
Inspection	<u>10,000</u>	
Sub-total		\$70,000

City Staff

DPW Clerical (217 hours @ \$42/hr.)	\$9,128	
Emergency generator project	<u>12,500*</u>	
		\$21,628

Construction Management & Contingency	<u>300,000</u>
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Total Estimated Project Costs	\$1,648,348
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Proposed Release of Reserve Funds (subject of this request)	<u>1,279,500</u>
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Remaining amount needed (\$34,424 to be funded by release of reserved funds under Item 4, File 101-92-33.6 of this report to the Budget Committee, \$34,424 to be funded by a release of reserved funds under pending File 148-92-7.8 to the Government Efficiency and Labor Committee and \$300,000 for construction management and construction contingencies under a pending Supplemental Appropriation request).

	\$368,848
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* Total of \$68,848 for the installation of one emergency generator.

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Comments:

1. As noted above, the DPW has estimated that construction management and construction contingency funds of approximately \$300,000 should be provided for this project. The Fire Department advises that a pending request for a supplemental appropriation of 1992 Fire Protection Bond funds for this purpose has been submitted to the Mayor.
2. The Attachment includes a list of all firms which submitted bids along with the bid amounts.

Recommendation: Approve the proposed release of reserved funds as requested.

5443A

S.F.F.D. Station No. 39

1091 Portola Drive

20-Sep-95

A. Ruiz Construction Co. & Assoc. Inc.

Chiang C. M. Construction, Inc.
Pacific International Construction Inc.
Arritz Builders/D. Stewart Thompson, a JV
Dennis J. Amoroso Construction Co., Inc.
Barnes/TM a Joint Venture
Lenn Construction Inc.
Cuevas & Mannion Construction
CICO-R&W Joint Venture
A.R. Construction Co.

	Base Bid	A/E#1	A/E#2	A/E#3	A/E#4
MBE/LBE	208,000	(4,000)	(3,700)	(22,000)	(57,014)
MBE/LBE	1,256,720	(3,728)	(14,524)	(22,665)	(6,642)
MBE/LBE	1,276,000	(3,500)	(14,500)	(7,500)	(5,000)
WBE/LBE/AJ/10%	1,385,436	(8,894)	(10,935)	(28,017)	(2,169)
LBE	1,388,205	(2,600)	(6,400)	(33,000)	(17,000)
MBE/LBE/AJ/10%	1,397,000	(100)	(7,600)	(26,000)	(16,000)
MBE/LBE	1,405,000	(6,300)	(2,100)	(24,500)	(18,700)
MBE/LBE	1,511,000	0	(14,000)	(22,000)	(19,500)
MBE/LBE/AJ/10%	1,569,932	(12,439)	(4,760)	(16,830)	(27,895)
MBE/LBE	1,677,378	(8,000)	(46,000)	(40,000)	(26,000)

A. Ruiz Construction Co. & Assoc. Inc.

1615 Corland Avenue
San Francisco, CA 94110
Tel. (415) 647-4010

Kwan Wo Iron	Struct Steel	81,000
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Kwan Wo Iron	Struct Steel	81,000	Carpet Con	Sheet Viny	10,359
Dees Hennesy	Shortcrete	6,470	SNC Plumb	Plumb	46,800
Alcal Roofing	Roof, Demo	9,740	J & M S&M		118,000
Sierra Electric	Electrical	156,000			
Rivera & Rocorso	Rough Carp	90,000			
Color Link	Paint & Coat	25,000			
Cherokee Glass	Glass/Windo	22,278			
City Lumber	Install Doors	17,200			
J D Bollard	Tiles	15,263			

Gary Johnson
Mark Primeau
Joe Cheung

Norm Karasick	Maurice Williams
Minda Tan	Controller
Mary Starkweather	Jim Lynch

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Item 4 - File 101-92-33.6

Note: This item was continued from the November 29, 1995 Budget Committee Meeting.

Departments: Fire Department
Department of Public Works (DPW)

Item: Release of reserved funds for the Fire Department in the amount of \$34,424, for the purpose of installing an emergency generator at Fire Station No. 39.

Amount: \$34,424

Source of Funds: 1986 Fire Protection System Improvement Bond funds

Description: In November of 1986, San Francisco voters approved the issuance of \$46.2 million in 1986 Fire Protection System Improvement Bonds to finance improvements to the City's Fire Protection System. In February of 1993, the Board of Supervisors approved legislation appropriating \$1,191,769 in the 1986 Fire Protection System Improvement Bonds funds, and placing a total of \$623,350 on reserve for emergency generators, pending the selection of contractors, the MBE/WBE status of the contractors and the contract cost details.

The Fire Department is now requesting that \$34,424 of the reserved funds be released for the installation of one emergency generator at Fire Station No. 39, located at 1091 Portola Drive. The Fire Department advises that the total cost of the installation of the emergency generator is \$68,848. According to the Fire Department, the required balance of \$34,424 for this project will be paid for by previously allocated and reserved State Hazard Mitigation Grant funds. A request for release of those reserved funds is currently pending before the Government Efficiency and Labor Committee (File 148-92-7.8).

The Fire Department advises that the installation of the emergency generator will be performed in conjunction with the scheduled overall renovation of Fire Station No. 39. The DPW, through its Invitation for Bids process, has selected Chiang C. M. Construction Inc. as the lowest responsible bidder, based on a base bid amount of \$1,256,720, to provide the necessary renovation work, including the installation of the emergency generator, for this facility. Chiang C. M. Construction Inc. is an MBE firm. Item 3, File 101-92-60.10

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of this report details the cost of the overall Fire Station No. 39 project, and other pertinent information regarding this project.

Budget:

The total estimated cost of \$68,848 for the installation of the emergency generator, is detailed below:

Construction Contract

Emergency Generator installation	\$56,348
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City Staff

DPW Contract Administration	
5268 Architect (26 hrs. @ \$77 per/hr.)	\$2,000
DPW Construction Management	
5364 Engineer (43 hrs. @\$75 per/hr.)	3,200
6331 Inspector (64 hrs. @\$75 per/hr.)	4,800
Real Estate Department (lump sum cost to investigate encroachment of adjacent owner)	<u>2,500</u>
Sub-total	<u>12,500</u>
Total	\$68,848

Recommendation: Approve the proposed release of reserve funds as requested.

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Item 5 - File 101-95-40

Department: Chief Administrative Officer (CAO)
Convention Facilities Management Department

Item: Ordinance appropriating and rescinding \$466,000 of convention facilities funds to a capital improvement project for the Convention Facilities Management Department for fiscal year 1995-96.

Amount: \$466,000

Source of Funds: Hotel Tax Funds

Description: The Board of Supervisors previously approved a resolution (170-95-11) which authorized submission to the electorate on March 26, 1996, of a bond proposition for the City to issue Lease Revenue Bonds in an amount not to exceed \$157.5 million for land acquisition and construction of a new Convention Center facility to provide 300,000 square feet in addition to the existing Moscone Center facility which has 600,000 square feet. The preferred project site for the additional convention center facility is Howard Street between 4th Street and 5th Street.

The proposed supplemental appropriation ordinance would provide funds for project programming and preliminary project planning activities. These planning activities are anticipated to occur from January through March, 1996, prior to the decision by the electorate as to whether the proposed additional convention facility will be funded. According to Mr. Jack Moerschbaecher, Convention Facilities Director, these planning activities must begin immediately. Mr. Moerschbaecher indicates that a delay in beginning these activities would result in a delay to the construction of the additional 300,000 square feet convention center facility.

The following budget summarizes the proposed expenditures of Hotel Tax funds:

Budget:	<u>CAO's Office Project Staff</u>	
	Project Manager (620 hrs at @ \$51 hr)	\$31,364*
	Deputy Project Manager (280 hrs at @ \$36 hr)	9,976
	Contract Manager (240 hrs at @ \$37 hr)	8,551
	Assistant Project Manager (320 hrs at @ \$31 hr)	9,850
	Administrative Assistant (320 hrs at @\$20 hr)	<u>6,259</u>
	Total CAO's Office Project Staff	\$66,000

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<u>Office Improvements</u>	\$15,000
<u>Consultant Services</u>	
Architects/Engineers	\$100,000
Construction Management	60,000
Project Management	15,000
Operations Consultant	5,000
Environmental Report Consultant	20,000
Convention Expansion Study - Phase III	<u>100,000</u>
Total Consultant Services	\$300,000
<u>City Departments</u>	
Real Estate Department	\$15,000
City Attorney	35,000
Human Rights Commission	15,000
DPW Site Surveyor (used to determine height and elevations of land)	<u>20,000</u>
Total City Departments	\$85,000
Total Requested Supplemental Funding	\$466,000

*\$31,364 in supplemental funds for 620 hours for the project manager have been incurred beginning in December, 1995. Therefore, the proposed supplemental appropriation ordinance should be amended to provide for ratification of action previously taken.

Comments:

1. \$66,000 is budgeted for CAO's Project staff. According to Mr. Ray Fong of the Chief Administrative Officer's (CAO) Office, the CAO's Office will recruit staff from other City departments, such as the Department of Public Works (DPW), and the Airport to fill the project staff positions as was done under the previous Moscone Center expansion project. Mr. Fong reports that these positions are project specific, and would be transferred back to the other City departments upon completion of the project. The estimated project completion date is July 1, 2000.

2. The \$15,000 budgeted for office improvements would be used for the purchase of office partitions, furniture and fixtures for project staff. According to Mr. Fong, there is no available space within the CAO's Office for the additional project staff. As a result, the project staff would utilize floor space available at the Civic Auditorium and would not require any rent.

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3. Consultants Services, totaling \$300,000 would be used as follows:

The \$100,000 budgeted for the Architect/Engineer would be used for preliminary pre-construction design work on the project. Mr. Fong reports that an architect will be selected by March, 1996. Mr. Fong estimates that the architectural and engineering expenses for the total project will be \$8.1 million, or approximately nine percent of the \$90 million estimated construction costs. The architect has not yet been selected.

The \$60,000 budgeted for construction management would be used to retain the services of a construction manager to review design decisions and report upon the cost effectiveness of the design during construction. Mr. Fong reports that a construction manager has not yet been selected.

Funds for outside consultants are also budgeted for project management services (\$15,000), an operations consultant (\$5,000) and an environmental report consultant (\$20,000). Hours and hourly rates have not yet been determined. The operations consultant used would be the current operator at the Moscone Center, Spectacor Management Group/Thigpen, Ltd./joint venture. Thigpen, Ltd. is a City-certified MBE firm. The joint venture would assist the architect/engineer with operational efficiency issues, such as the optimal location for elevators and meeting rooms. The consultants for the project management services (\$15,000) and environmental report preparation (\$20,000) have not yet been selected.

Additionally, the \$100,000 budgeted for the Convention Expansion Study, Phase III, would be used for a consultant study on opportunities to expand convention facilities to a North of Market site. The consultant utilized would be EPI, a City-certified joint venture comprised of Economics Research Associates, Public Affairs Management (WBE) and Iyer & Associates (MBE). The average hourly rates of the consultant are between \$70 and \$100. Under Phase I, a market assessment was completed. Under Phase II, a study was made to determine where the market exists for developing an additional meeting and exhibit space in San Francisco. These studies were funded with Hotel Tax funds.

4. A total of \$85,000 is budgeted for the services of City Departments, consisting of the following:

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The \$15,000 budgeted for the Real Estate Department (for 200 hours at \$75 per hour), would be used for assessing and valuating the property which will be purchased. As noted, the preferred project site is Howard Street, between 4th Street and 5th Street. Currently, a surface parking lot is located at this site.

The \$35,000 budgeted for the City Attorney would be used for drafting the Requests for Proposals (RFPs), for reviewing the real estate land purchase agreements, and for reviewing any related environmental documents (350 hours @ \$100 hour).

The \$15,000 budgeted for the Human Rights Commission (HRC) would be used for the HRC to review and develop the RFPs related to City MBE/WBE requirements, and to attend interviews with the architect, construction manager and other consultants (300 hours @ \$50 hour).

The \$20,000 budgeted for the DPW Site Surveyor would be used for determining site and sidewalk widths, grades and elevations which would be used during the design phase of the project (no hourly rates provided).

5. Mr. Moerschbaeher reports that the City could potentially lose revenues if the opening of the facility is delayed for a few months. However, no specific revenue loss was identified. Mr. Moerschbaeher indicates that no polls are yet available that would indicate the likelihood of voter approval of the pending ballot measure. In the event that the lease revenue bonds are not approved by the voters, Mr. Moerschbaeher states that there could still be benefits associated with completing these planning and design activities, such as applying these activities to other potential future expansion projects.

6. A total of \$300,000 of the proposed supplemental appropriation (consisting of \$85,000 for City Departments, \$15,000 for office improvements, and \$200,000 for consultant services) are specifically related to certain Moscone Expansion project costs that would be incurred prior to the outcome of the bond measure. Given the financial risk to the City resulting from the uncertainty of the bond measure passing, approval of \$300,000 of the requested \$466,000 is a policy matter for the Board of Supervisors. The remaining \$166,000 should be approved (consisting of \$66,000 for CAO's Project Staff, who would begin critical project activities, and \$100,000 for the Convention Expansion Study-Phase III,

which is not contingent upon the outcome of the bond measure).

7. If the Board of Supervisors approves the requested funds of \$466,000 in their entirety, then \$300,000 should be reserved pending the outcome of the election on March 26, 1996 (consisting of \$85,000 for City Departments, \$15,000 for office improvements, and \$200,000 for consultant services). The CAO's Office should report back to the Budget Committee on the selection of the contractors, MBE/WBE status of the contractors, hours and hourly rates.

- Recommendations:**
1. Approve \$166,000 of the requested \$466,000, consisting of \$66,000 for CAO Project Staff and \$100,000 for the Convention Expansion Study-Phase III Study.
 2. Approval of the remaining \$300,000 of the requested \$466,000 is a policy matter for the Board of Supervisors. If the remaining \$300,000 is approved, then this amount should be reserved pending the outcome of the election on March 26, 1996, and pending submission to the Board of Supervisors of the contractors selected and the MBE/WBE status of the contractors, the estimated hours and the hourly rates.
 3. Amend the proposed ordinance to provide for ratification of actions previously taken.
 4. Approve the proposed ordinance as amended.

Item 6 - File 218-96-1

Department: Mayor's Office of Housing (MOH)

Item: Resolution authorizing an application to the California Debt Limit Allocation Committee to permit the issuance of Mortgage Credit Certificates and the City's receipt of a State allocation under the Mortgage Credit Certificate Program.

Amount: Not to exceed \$25 million

Description: The Mortgage Credit Certificate (MCC) Program is designed to assist first-time home buyers in purchasing a single-family residence in San Francisco. The program is directed toward individuals and families which would not be able to purchase housing without receiving some financial assistance.

The MCC Program, a State authorized program, provides assistance to first-time home buyers by allowing an eligible home purchaser to take an annual credit against Federal income taxes of up to 20 percent of the annual interest payments on a single family residence. A home buyer who is awarded an MCC and who is also eligible for a tax credit on the interest expense paid on the mortgage, would still be able to deduct, for Federal income tax purposes, the remaining amount of the annual mortgage interest payments not claimed as a credit against the taxes. By reducing the Federal income tax burden, the home buyer is left with increased disposable income with which to cover mortgage payments.

Since September of 1993, the Board of Supervisors has approved legislation authorizing the MOH to submit three separate applications to the California Debt Limit Allocation Committee (CDLAC). The CDLAC approved these three applications, which provided an allocation of MCC funds from the State to the City amounting to \$34,182,000 and authorized MOH to issue either Mortgage Credit Certificates or Mortgage Revenue Bonds. The City elected to issue Mortgage Credit Certificates. Mr. Joe LaTorre of the MOH advises that by electing to issue Mortgage Credit Certificates, the overall amount of the allocation from the CDLAC was increased by \$8,545,500, from \$34,182,000 to \$42,727,500, based on the allotment calculation used by the CDLAC.

The proposed resolution would authorize the MOH to submit a fourth application to the CDLAC for an allocation of Mortgage Credit Certificates in an amount not to exceed \$25 million. As was the case with the prior three resolutions

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authorizing the MOH's submission of applications to the CDLAC, the proposed resolution, in compliance with CDLAC regulations, would also authorize (1) that one percent of the amount of the requested allocation be held on deposit by the City in connection with the submission of the application to the CDLAC, and (2) the Director of the MOH to certify to CDLAC that such funds are available. Based on one percent of the requested allocation of an amount not to exceed \$25 million, the amount to be held on deposit by the City for the subject application would be up to \$250,000. This deposit shall consist of a restriction of cash in the City's Home Mortgage Assistance Trust Surplus Fund, established pursuant to the Home Mortgage Assistance Trust Agreement of 1982. The Home Mortgage Assistance Trust Surplus Fund is a Fund which consists of cash accumulated from loan repayments by individuals participating under the City's 1982 First Time Homebuyers Bond Program.

According to Mr. LaTorre, the above-noted deposit is required by CDLAC to ensure that the State requirements for issuing the Mortgage Credit Certificates are met by the local agency, including the requirement that the first Mortgage Credit Certificate be issued within 120 days of receipt of the allocation of Mortgage Credit Certificates from the State.

Comments:

1. Attached is a "Statistical Profile" for calendar years 1994 and 1995, prepared by the MOH, which provides the total number of low to moderate income households that have been assisted since the start-up of the Mortgage credit Certificate Program in January of 1994, and related information pertaining to these households (e. g., median household income, median purchase price of homes, household size and ethnic breakdown). This Statistical Profile also shows the number of developer Mortgage Credit Certificate allocations that have been reserved for low and moderate income housing units to be completed in FY 1996-97. Developer Mortgage Credit Certificates are Certificates which are reserved for low to moderate income housing developments which are under construction. When the housing development is completed, individuals and families wishing to purchase homes can apply to the City for the Mortgage Credit Certificates which were placed on reserve.

2. Mr. LaTorre advises that the City continues to have the option to either issue Mortgage Credit Certificates or Mortgage Revenue Bonds, in connection with the subject funds. According to Mr. LaTorre, based on the City electing to issue Mortgage Credit Certificates, the States allocation to the City would total \$31,250,000 or \$6,250,000 more than the

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proposed \$25,000,000 amount. According to Mr. LaTorre, the \$31,250,000 would allow the MOH to provide assistance under the Mortgage Credit Certificate Program to an estimated additional 220 home buyers based on an average allocation of Mortgage Credit Certificates to each home buyer of approximately \$140,000.

Recommendation: Approve the proposed resolution.



**MAYOR'S OFFICE OF HOUSING
CITY AND COUNTY OF SAN FRANCISCO**

WILLIE LEWIS BROWN, JR.
MAYOR

TED DIENSTFREY
DIRECTOR

**SAN FRANCISCO
MORTGAGE CREDIT CERTIFICATE PROGRAM
1994-95
STATISTICAL PROFILE**

Total number of households assisted: 110 MCCs issued
68 Commitments issued
31 Reservations issued

Total: 209 Households

(Plus: Developer reservations for 91 units to be completed in 1996-97)

Median household income: **\$42,584** (72% of San Francisco SMSA median for household of 4 persons; 91% of median for 2-person household)

Median purchase price: \$170,000

Median mortgage amount: \$136,000

Household size breakdown:	1 person	97	(46%)
	2 persons	54	(26%)
	3 persons	27	(13%)
	4 or more persons	31	(15%)

Ethnic breakdown:	White	102 households	(49%)
	Asian/Pacific Islander	57	(27%)
	African-American	29	(14%)
	Hispanic	17	(8%)
	Other/decline to state	4	(2%)

Neighborhood breakdown:

Bayview/Hunters Point	28	Outer Mission	17	Upper Market	5
Potrero Hill	25	Bernal Heights	14	North Beach/Marina	4
Sunset	19	OMI	12	North of Market	3
Diamond Hts/Sunnyside	18	Visitation Valley	9	Richmond	2
South of Market	18	Mission	8	Haight/Ashbury	2
Western Addition	18	Portola	7		

Item 7 - File 127-96-1

Item: Ordinance amending the San Francisco Municipal Code, Part III, Section 802A to provide that the Temporary Admission Tax may be remitted monthly or annually.

Description: A one-year Temporary Stadium Admission Tax was adopted in 1991 to finance high school and middle school athletics. The Temporary Stadium Admission Tax has been extended by the Board of Supervisors through the year 2000 baseball and football seasons (File 127-95-11). The Surtax applies to stadiums with more than 5,000 seats. Mr. Louis Lui of the Tax Collector's Office states that there is only one such facility in San Francisco: 3Com Park. (Ms. Garnett Franklin of the Recreation and Park Department (RPD) advises that, while Kezar Stadium has 9,700 seats, Recreation and Park Commission policy limits ticket sales to a maximum of 5,000 because inadequate parking is available.)

The Temporary Stadium Admission Tax includes a surtax of \$0.25 on all tickets priced at less than \$27, and a surtax of \$0.75 on all tickets priced at \$27 or more. This results in a surtax of \$0.25 on most Giants tickets (with the exception of a surtax of \$0.75 on approximately 275 tickets per game which are sold at \$40 per ticket) and a \$0.75 surtax on all 49er tickets. This surtax is paid by ticket buyers to the baseball or football club, which in turn remits it to the City. Although most of the Surtax revenues are generated from Giants and 49ers games, all events held at 3Com Park are subject to the Surtax, unless they are sponsored by a nonprofit or public agency such as a school or charity.

Article II, Section 802A of the Municipal Code currently states that the Temporary Stadium Admission Tax for tickets to professional games is to be paid according to the provisions of Subsections 804(a) and (b). Subsections 804(a) and (b) provide that the taxes due shall be paid on a monthly basis. The only exception to this rule is for payment of any tax over \$0.50 per ticket collected pursuant to Section 802, which can be paid either monthly or annually at the option of the baseball or football club. Section 802 of the Municipal Code pertains to the Stadium Operator Admission Tax, a separate, permanent tax of \$1.50 on tickets sold at 3Com Park that are priced at \$25.02 or more.

Presently the Temporary Stadium Admission Taxes collected by the Giants and the 49ers are remitted monthly to the City. The proposed amendment to the Municipal Code would authorize the Giants and the 49ers to remit to the City the

Temporary Stadium Admission Taxes either monthly or annually.

Section 804 provides the annual payment option only for \$1.00 of the \$1.50 permanent Stadium Operator Admission Tax that is established in Section 802, and not for the Temporary Stadium Admission Tax that is established in Section 802(a) of the Municipal Code to fund high school and middle school athletics. Under the existing provisions of the Municipal Code the Temporary Stadium Admission Taxes must be remitted by the Giants and the 49ers to the City on a monthly basis.

The proposed amendment to Section 802(a) would eliminate any reference to Section 804 in Section 802(a), and instead state that the Temporary Stadium Admission Taxes shall be remitted to the City either monthly or annually at the option of the operator of the professional baseball or football club. If the Giants or the 49ers opt to remit the Temporary Stadium Operator Admission Taxes annually to the City, payment would be due by February 1 of each year for games played during the previous 12 months.

Comments:

1. The Board of Supervisors previously approved an ordinance amending Section 804 of the Municipal Code to permit annual payment of \$1.00 of the \$1.50 permanent Stadium Operator Admission Tax (File 127-94-2). The remaining \$0.50 of the Stadium Operator Admission Tax must still be paid on a monthly basis. That provision would not be affected by the proposed ordinance, which pertains only to the Temporary Stadium Admission Taxes.

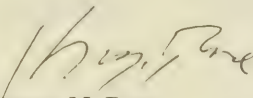
2. Based on a total collection of \$833,510 in 1995 Temporary Stadium Admission Taxes, as provided by Mr. Jack Yee of the Tax Collector's Office, and based on the current interest rate of approximately 6 percent earned by the Treasurer, the Budget Analyst estimates that approval of the proposed amendment to the Municipal Code would result in estimated reduced interest income to the City of approximately \$26,812 annually if both the Giants and the 49ers opt to remit the Temporary Stadium Admission Taxes to the City annually, instead of monthly. (The amount of reduced interest income to the City will vary depending upon ticket sales to Giants and 49ers games in a particular season.)

Recommendation: Approval of the proposed amendment to Part III, Section 802(a) of the Municipal Code, which would permit the Giants and the 49ers to remit to the City the collected Temporary Stadium Admission Taxes on an annual basis, rather than on a monthly basis as is presently required, and which would

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result in estimated reduced interest revenues to the City of \$26,812 annually, is a policy decision for the Board of Supervisors.


Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Supervisor Teng
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

CALENDAR

BUDGET COMMITTEE

HOUSING AND LAND USE COMMITTEE

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BOARD OF SUPERVISORS CITY AND COUNTY OF SAN FRANCISCO

JAN 16 1996

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JOINT MEETING

THURSDAY, JANUARY 18, 1996, 12:00 NOON

VETERANS BUILDING
401 VAN NESS AVENUE, ROOM 410

MEMBERS: Supervisors Tom Hsieh, Carole Migden, Barbara Kaufman,
Sue Bierman, Mabel Teng

ACTING CLERK: Mary Red

* * * * *

Disability Access



Both the Committee Room (Room 410) and the Chamber (Room 404) are wheelchair accessible. The closest accessible BART Station is Civic Center, four blocks from the Veterans Building. Accessible MUNI lines serving this location are: #5 Fulton, #21 Hayes, #42 Downtown Loop, #47 Van Ness and #49 City College lines and the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



There is accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex.



Assistive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 308 staff.

The following services are available on request 48 hours prior to the meeting or hearing:
For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.

For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.
In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6075.

JOINT BUDGET/HOUSING AND LAND USE COMMITTEE

1. File 85-95-6. [Transbay Terminal] Resolution urging that Alternative One, Alternative Two, Alternative Three, Alternative Four, Alternative Five or Alternative Six be selected as the preferred alternatives for the City's Transbay Area Plan and be the Locally Preferred Alternatives for the purposes of the Joint Powers Board CalTrain Extension Environmental Impact Study; Recommending that the Joint Powers Board (JPB) pursue Townsend Street for the east-west alignment of CalTrain, work with impacted property owners along Townsend Street and with South Beach residents and property owners to minimize project impacts, that the Market/Beale Terminal Alternative be dropped, that the JPB select an underground terminal at the Transbay Terminal site, that JPB pursue full electrification of the CalTrain line, and consider clean diesel or liquefied natural gas, and that the CalTrain Storage Yard be placed at I-280/16th Street. (Supervisor Hsieh)

ACTION:

BUDGET COMMITTEE/HOUSING AND LAND USE COMMITTEE
SAN FRANCISCO BOARD OF SUPERVISORS
401 VAN NESS AVENUE, ROOM 308
VETERANS BUILDING
SAN FRANCISCO, CA 94102

**IMPORTANT
HEARING NOTICE**

glen gart

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CITY AND COUNTY



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BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

January 16, 1996

TO: Joint Budget/Housing and Land Use Committee
FROM: Budget Analyst *Revenue & Int. Affairs Jan 16, 1996*
SUBJECT: January 18, 1996 Joint Budget/Housing and Land Use Committee Meeting

Item 1 - File 85-95-6

Note: This item was continued to the Call of the Chair at the November 16, 1995 Joint Budget/Housing and Land Use Committee.

Department: San Francisco Planning Department
San Francisco Redevelopment Agency

Item: Resolution urging that an alternative be selected for the City's Transbay Area Plan and that such alternative be considered as the locally preferred alternative for the purposes of the Joint Powers Board CalTrain Extension Environmental Impact Study.

Description: *Project Objectives*
The Planning Department and the San Francisco Redevelopment Agency (SFRA) are currently developing a Transbay Area Plan and implementation program with the following objectives:

- 1) Maintain and enhance transit activities in the area;
- 2) Support a transportation system to meet local and regional needs into the 21st Century;
- 3) Guide the development of land in conjunction with local and regional transportation needs as identified in objectives 1 and 2.

From these objectives, the Transbay Area Plan will provide a basis for evaluating the following two sites for a Transbay Bus Terminal in downtown in San Francisco.

- 1) The site of the existing Transbay Terminal which is located between Fremont Street and First Street, at Mission Street; or
- 2) A new site in the vicinity of Main Street, Mission Street, Beale Street and Howard Street.

Project Background

The State Architect release a study in 1992 concluding that the Transbay Terminal building needed substantial upgrades to meet current seismic and other fire/life/safety codes. Ms. Gail Goldman of the San Francisco Redevelopment Agency (SFRA) and Mr. Larry Badiner of the Planning Department report that, in current dollars, the cost to retrofit the existing facility to meet current seismic and other fire/life/safety code requirements is estimated between \$75 million and \$109 million. Just prior to the release of this report, the Budget Analyst was advised by the Redevelopment Agency that Caltrans has significantly revised the estimate downward to retrofit the facility at between \$28 million to \$82 million.

In December 1992, the Board of Supervisors approved a resolution, at the request of the Mayor, requesting that Caltrans work with the City to study alternatives for the rehabilitation of the Transbay Terminal and reconstruction of the nearby Terminal Separator Structure, which was the roadway which linked the Bay Bridge to the Embarcadero.

In 1994, responding to the requests of the Mayor and the Board of Supervisors, Caltrans and the City decided to fund the Transbay Area Plan and Implementation Program, which is a more detailed study of the Main/Mission/Beale/Howard site and a new and/or renovated terminal building on the existing site. The Transbay Area Plan is funded at an estimated cost of \$862,000, funded through the following funding sources: Caltrans (\$304,000), Redevelopment Agency (\$458,000), and the Planning Department (\$100,000) funded through the Department's General Fund budget.

In a separate but closely coordinated study with the Transbay Terminal Plan, the Peninsula Joint Powers Board (JPB) members from San Francisco, San Mateo and Santa Clara counties are also conducting a study to identify fundable alternatives specifically analyzing the extension of

CalTrain from its current terminal at Fourth and Townsend Streets to either of the Transbay Sites. The JPB is currently seeking input from the City and the Board of Supervisors regarding: 1) the most preferred configuration of a terminal at both sites, 2) alignment of the tracks and method of construction, 3) a preferred location for a CalTrain terminal and 4) a determination of where CalTrain goes underground.

The JPB consists of nine members, three of which represent the City and County of San Francisco. One member is an appointment of the Mayor, one is an appointment of the Board of Supervisors and one is an appointment of the Public Transportation Commission (PTC).

Throughout the past year, the San Francisco Planning Department and the San Francisco Redevelopment Agency (SFRA) have worked closely with various local citizen groups including the Citizens Advisory Committee, Technical Advisory Committee and the Policy Advisory Committee to define a number of alternatives.

City Staff from the SFRA, the Planning Department and the Mayor's Office, along with the JPB, have made joint presentations before the City Planning Commission, the Redevelopment Commission, the Public Transportation Commission, and the Board of Supervisors during November and December 1995. Ms. Goldman reports that these Commissions have selected Alternative #5 as the preferred alternative. Further presentations will also be made to the various local and regional citizen groups. The purpose of these presentations will be to reach consensus on the location and general configuration of a Transbay Bus Terminal.

Project Alternatives and Costs

The alternatives identified by the Transbay Area Plan are summarized on the Attachment, and are briefly described below. The estimated total costs identified below include capital costs for demolishing ramps to and from the Transbay Terminal and CalTrain's capital costs. The estimated capital costs do not include the demolition of the existing Transbay Terminal which is estimated to cost \$10 million.

The following cost estimates are for capital costs only, and include neither operating costs nor the estimated \$10 million cost for the demolition of the existing facility.

Alternative 1 - Transbay Short Alternative

Bus Capital Costs	\$145 million
CalTrain Capital Costs	<u>524 million</u>

**BOARD OF SUPERVISORS
BUDGET ANALYST**

Estimated Total Capital Costs \$669 million

Alternative 1 would use the existing Transbay Terminal site (for both the bus terminal and the CalTrain station), located between Fremont Street and First, at Mission Street, as the location of a terminal, with CalTrain using one level underground, directly beneath the terminal building. This alternative would provide a total of 46 bus spaces in two levels into direct ramp access to the Bay Bridge, which meets the transit operator's requirements regarding the minimum number of spaces at the Transbay Terminal. MUNI buses would be accommodated at an on-street facility located at the terminal between Fremont and Beale Streets. As identified in the Transbay Area Plan, the benefits of this proposed alternative are the following: 1) convenient passenger connections to BART and MUNI, 2) fewer streets would be crossed than the existing terminal, thereby opening up views on Fremont and Beale Streets. This alternative would require a temporary terminal during construction.

Alternative 2 - Transbay Medium Alternative

Bus Capital Costs	\$148 million
CalTrain Capital Costs	<u>524 million</u>
Estimated Total Capital Costs	\$672 million

Alternative 2 would utilize the existing site (as does Alternative 1) of the Transbay Terminal, between both First and Fremont Streets at Mission Street. The bus terminal building would be approximately the same size as the existing Terminal, and would consist of two bus levels with direct ramp access to the Bay Bridge above ground floor passenger services and retail space. CalTrain would be underground in this alternative (similar to Alternative 1). A street level facility located between Fremont Street and Beale Street would accommodate MUNI buses. An underground concourse would connect the new terminal to BART and MUNI on Market Street. A total of 49 bus spaces on the two levels would meet the transit operators' minimum requirement of 46 spaces. The primary benefit of Alternative 2 is that the bus levels would have a central passenger waiting area. However, because of the Terminal's proposed length and the view blockage which it creates, this alternative would be an impediment to the development of Folsom Street. Alternative 2 would require a temporary terminal facility during the demolition of the existing terminal.

Alternative 3 - Transbay Long Alternative

Bus Capital Costs	\$129 million
CalTrain Costs	<u>460 million</u>
Estimated Total Costs	\$589 million

Alternative 3 would use the existing Transbay Terminal site (for both the bus terminal and the CalTrain station), although the proposed structure would be significantly longer and higher than the existing terminal, spanning First, Fremont and Beale Streets. The proposed structure would consist of ground floor passenger services and retail space, a second floor CalTrain Station (routing trains through an aerial structure) and a single bus level above the CalTrain level. A mezzanine level between the CalTrain and bus levels of the terminal would be needed to facilitate passenger movement and provide easy transfer between rail and bus modes. An underground concourse would connect the new terminal with BART and MUNI lines under Market Street. 48 bus spaces would be provided, which exceeds the transit operators' requirements of 46 spaces. However, given the height and length of the proposed structure, extensive building design would be necessary and the length of the structure would be an impediment to the development of Folsom Street, noise from the trains would impact upon the surrounding area, and a temporary structure during construction would be needed.

Alternative 4 - Main Beale North Alternative

Bus Capital Costs	\$138 million
CalTrain Costs	<u>540-744 million</u>
Estimated Total Costs	\$678-882 million

Alternative 4 would relocate the existing Transbay Terminal to Howard Street between Main and Beale Streets, consisting of two bus levels over the ground floor retail and passenger services, with a pedestrian entry place extending to Mission Street. The CalTrain station would be located beneath Beale Street parallel to the bus station. This Alternative would provide a total of 52 spaces, in two bus levels with direct ramp access to the Bay Bridge, which exceeds transit operators' requirements. The benefits of this proposed alternative includes the following: 1) direct passenger connection from CalTrain to the bus terminal, 2) transit operator requirements of 46 spaces would be exceeded, 3) the existing terminal could be used during construction, and 4) land vacated by the existing terminal may be developed as commercial.

Alternative 5 - Split Bus/CalTrain terminals

Bus Capital Costs	\$145 million
CalTrain Cost	<u>535 million</u>
Estimated Total Capital Costs	\$680 million

Alternative 5 would provide for the same location as Alternative 4, relocating the existing bus terminal to Howard Street between Main and Beale Streets. However, Alternative 5 would provide for a different location and configuration of the CalTrain station. This Alternative would provide for the CalTrain station to be located underground the existing Transbay Terminal. The primary benefit would be separating the construction of the bus and train allowing this bus terminal to proceed independently from the train. The bus and train terminals will be connected at Beale Street.

Alternative 6 - Main/Beale Surface Alternative

Bus Capital Cost	\$25 million
CalTrain Capital Cost	<u>534-744 million</u>
Estimated Total Capital Costs	\$559-\$769 million

Alternative 6 would provide for the relocation of the terminal onto both sides of Howard Street between Main and Beale Streets. This Alternative would consolidate all bus operations and passenger services in a covered ground floor terminal that includes an entrance lobby. Pedestrian bridges would span Howard and Beale Streets connecting the entrance lobby and the various bus operators. The CalTrain station would be located beneath Beale Street, thereby allowing direct passenger connection to the bus terminal above. MUNI would be located north of Howard Street and across Beale Street, accessible to the terminal building by way of an elevated pedestrian bridge spanning Howard Street. This alternative would clearly impair pedestrian access to and from the terminal, and would result in increased traffic congestion, as buses would be required to flow constantly around the terminal. Alternative 6 would have increased operating costs for AC Transit by approximately \$1 million annually. In addition, this alternative would only provide 35 spaces, not meeting the transit operators' requirements of 46 spaces. The benefit of this alternative would be that the existing Transbay Terminal could be used as a temporary terminal until the new terminal is constructed. Also, this alternative has the least estimated capital costs associated with it.

Comments:

1. City staff from the Mayor's Office, the SFRA and the Planning Department are recommending Alternative #5 for the project, with capital costs estimated be \$145 million for Bus costs and \$535 for CalTrain costs or a total of \$680 million for both the bus terminal and the CalTrain Station. According to Ms. Goldman, Alternative 5 is being recommended by the City staff primarily because of the following reasons: 1) the proposed terminal would cross only Howard Street, 2) Alternative 5 would take advantage of paralleling the Fremont Street auto ramp, thereby reducing the impacts of ramps crossing streets, 3) no temporary bus terminal would be required during construction, 4) development to the area of the south would be encouraged, and 5) less construction coordination would be required with CalTrain.

2. Ms. Goldman and Mr. Larry Badiner of the Planning Department indicate that the capital financing plan for the proposed replacement of the Transbay Terminal has not yet been developed, including whether any local funding would be required, such as tax increment funds or General Fund monies. The potential costs that the City could incur are both operating and capital costs for the proposed CalTrain station (recommended to be located underground at the existing Transbay Terminal site), and for the proposed bus terminal (recommended to be located at Howard Street between Main and Beale Streets).

3. Approximately 40 percent of CalTrain's operating cost are recovered through fares resulting in a 60 percent annual operating deficit. The annual Federal subsidy is subtracted from the 60 percent deficit. The balance of the operating deficit, after subtracting the Federal subsidy is, under the current provisions of the JPA, borne by the Counties of San Francisco, San Mateo and Santa Clara based on their respective ridership. The current share of San Francisco is 11.8 percent for the operating deficit, for San Mateo County it is 50.7 percent and for Santa Clara County it is 37.5 percent. According to cost estimates provided by the Joint Powers Board (JPB), the current estimated operating deficit for CalTrain (less revenues and Federal subsidies) and the estimated increase in the operating deficit (less revenues and Federal subsidies) for Alternative #5 are as follows:

Estimated Cost to Counties for CalTrain's
Annual Operating Deficit

	San Francisco (11.8%)	San Mateo (50.7%)	Santa Clara (37.5%)	Total
FY 95-96 Share of Operating Deficit	\$3,004,516	\$12,909,234	\$9,548,250	\$25,462,000
Alternative #5 Share of Operating Deficit	<u>3,520,819</u>	<u>15,127,587</u>	<u>11,189,043</u>	<u>29,837,449</u>
Projected Increase over Existing Operating Deficit	\$516,303	\$2,218,353	\$1,640,793	\$4,375,449

The estimated increase in the operating deficit assumes the current level of service and riders. Therefore, potential additional revenues resulting from relocating the CalTrain station to a central downtown location may increase the number of riders, and somewhat offset the projected increase in the operating cost deficit.

4. According to operating cost estimates for the bus terminal, as provided by Mr. Badiner, the City's estimated increase in annual operating costs for Muni are projected to be \$160,500 for each of the six alternatives. According to Mr. Badiner, this increase in costs is primarily attributable to the net change in annual service hours, miles operated and equipment (assumes buses would no longer travel on 1st Street, but would travel on Fremont and Beale Streets). Mr. Badiner notes that Alternatives #4 and #5 could also provide for Muni and other transit operators to use a transit "mall" area, to be located adjacent to the proposed terminal. Mr. Badiner reports that utilizing a transit "mall" on Beale Street would reduce the traffic impact from vehicles traveling on 1st Street and Fremont Street which are accessing the Bay Bridge. However, Mr. Badiner estimates that the annual operating cost increase for Muni for a "transit mall" would be \$897,300, which is \$736,800 greater than the estimated \$160,500 in annual Muni operating cost increases (for each of the six alternatives) using surface streets. Mr. Badiner adds that there could be a reduction in overtime costs if Muni buses operate in a more timely manner than at the current terminal site.

BOARD OF SUPERVISORS
BUDGET ANALYST

5. Therefore, the estimated increase in total annual operating costs for San Francisco for the proposed Alternative #5 are \$676,303, consisting of \$516,303 for San Francisco's share of CalTrain and \$160,500 for Muni (assuming that Muni buses would use Fremont and Beale streets, rather than the "transit mall").

6. As noted, the capital financing sources estimated at \$680 million for Alternative 5 have not yet been specified. According to Mr. Michael Traflet of the JPB, a Capital Contingency Fund (CCF) which was established by the JPB, typically only pays for routine CalTrain capital expenditures. Mr. Traflet explains that routine CCF expenditures are shared equally (one-third) between the three member Counties. However, according to the existing provisions of the JPB, capital cost allocations for expansion projects, such as the CalTrain relocation project, would be determined on a case by case basis, and such capital costs would be shared based upon a formula agreed to by the JPB and its members. Mr. Badiner indicates that the Metropolitan Transportation Commission's 1994 Regional Transportation Plan, which sets forth funding for all regional transportation projects, divided capital costs among the three counties as follows: San Francisco (15 percent), San Mateo (50 percent) and Santa Clara (35 percent). Both the CalTrain terminal and the bus terminal projects will utilize a variety of funding sources, including Federal, State and local (e.g. bridge tolls).

7. The proposed resolution would urge that one of these six alternatives be the City's locally preferred alternative for purposes of the Joint Powers Board CalTrain Extension Environmental Impact Study. After consensus is reached on the locally preferred alternative, the proposed resolution would include a specification of the preferred alternative.

8. Ms. Goldman reports, however, that the Citizens Advisory Committee (CAC) is currently deadlocked over which alternative should be the locally preferred alternative, except that the citizen groups of the CAC and the Technical Advisory Committee have agreed not to select Alternative 6 which would cost a total of between \$559 and \$769 million.

9. The locally preferred alternative would be decided by the Transbay Policy Advisory Committee (consisting of representatives from the Metropolitan Transportation Commission and other regional transit operators) for the Bus terminal and the locally preferred alternative would be decided by the Joint Powers Board for CalTrain. However,

BOARD OF SUPERVISORS
BUDGET ANALYST

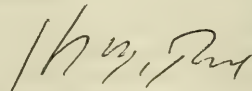
Memo to Joint Budget/Housing and Land Use Committee
January 18, 1996 Joint Budget/Housing and Land Use Committee Meeting

according to Ms. Goldman, both bodies are looking to the Board of Supervisors to state the City's position of the preferred alternative for the Bus Terminal and the Train Terminal.

10. The Transbay Policy Advisory Committee has proposed that a joint operating authority be created consisting of the City, Caltrans, AC Transit and the JPB. According to Mr. Badiner, no decision has been finalized.

11. The Joint Powers Board (JPB) has selected an underground terminal at the Transbay Site for continued study as part of its on-going environmental review of the CalTrain Downtown Terminal Extension Project. Mr. Badiner reports that a transbay underground terminal is consistent with Alternative #1 (Transbay Short) and Alternative #5 (Split Bus/CalTrain terminals), which City staff recommends as the preferred alternative.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Migden
Supervisor Kaufman
Supervisor Bierman
Supervisor Teng
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Kennedy
Supervisor Leal
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

Alternative 1 Short Bus/ CalTrain Underground	\$145 ⁽²⁾ \$524 \$679	Yes 25 of 30 46 Narrow Full Vertical ⁽⁷⁾ 950 feet 950 feet Adjacent Yes Somewhat
Smallest Footprint First Howard	Size Allows Residential/Commercial Less than existing	Yes No

Alternative 2 Medium Bus/ CalTrain Underground	\$149 ⁽²⁾ \$524 \$672	Yes 24 of 30 49 Circular Full Vertical ⁽⁷⁾ 950 feet 950 feet Vertical Yes Somewhat
Large Footprint First, Fremont Howard	Size Allows Residential/Commercial Same as existing	Yes No

Alternative 3 Long Bus/ CalTrain Aerial	\$120 ⁽²⁾ \$460 \$563	Yes 30 of 30 43 Narrow Full Vertical ⁽⁷⁾ 950 feet 950 feet Vertical Yes Somewhat
Largest Footprint First, Fremont, Beale Howard	Size Allows Residential/Commercial Greater than existing	Yes No

Alternative 4 Bus Main Beale/ CalTrain Underground	\$108 ⁽²⁾ \$540-744 ⁽⁵⁾ \$678-882	Yes 24 of 30 52 Circular Partial Vertical ⁽⁸⁾ 950-1770 feet 0-1770 feet Vertical Yes Yes
Small Footprint Howard Fremont, Beale	Size Allows Commercial/Residential Less than existing	No ⁽¹⁰⁾ Yes (Option 3) ⁽⁵⁾

Alternative 5 Bus Main Beale/ CalTrain Transbay Site Underground	\$145 \$535 \$680	Yes 24 of 30 52 Circular Partial Vertical ⁽⁸⁾ 950-1770 feet 0-1770 feet Vertical Yes Yes
Small Footprint Howard Fremont, Beale	Size Allows Commercial/Residential Less than existing	No ⁽¹⁰⁾ Yes

Alternative 6 Surface Bus Terminal/ CalTrain-Varies	\$25 \$534-744 ⁽⁵⁾ \$559-769	No 21 of 21 35 Narrow Varies 1300-1770 feet 0-1770 feet Adjacent Yes Yes
Small Footprint None None	Discourages Develop. n/a	No ⁽¹⁰⁾ Yes

No Project Code Upgrade of Existing Building	\$13-47 for bldg. ⁽¹¹⁾ \$62 for new ramps No Train \$75-109	Yes 30 of 30 41 Narrow None 950 feet None Adjacent No No
Large Footprint - full loop First, Fremont Beale (2X), Fremont, First, Howard,	Limited Discourages Develop. Yes	Probably No CalTrain

Capital Costs (in Millions - 1995 Dollars)

- Bus Costs (1)
- CalTrain Costs (3)
- Total Costs (4)

Operating Efficiency / Passenger Experience

- Dedicated Bus access from Bridge to Terminal?
- AC Transit Bus Spaces Located on One Level?
- Total Number of Bus Spaces
- Bus Passenger Platform Type⁽⁶⁾
- Bus to CalTrain Connectivity
- Bus to Market Street Connectivity
- CalTrain to Market Street Connectivity
- Multi Bus Connectivity
- Encourages Increases in Transit Ridership
- Separates Auto/Surface Bus Traffic

Urban Design

- Building Site Size
- Streets Crossed by Building
- Streets Crossed by Bus and/or Train Ramps⁽⁹⁾

Land Use

- Terminal Retail Development Potential
- General Land Use Impacts
- Does Terminal Cause Wall Effect?
- Construction Phasing
- Is Interm Bus Terminal Needed?
- Bus & Train Projects Independent?

NOTES:

- (1) Includes demolition of ramps.
- (2) Does not include foundations since CalTrain under Bus terminal would construct foundations.
- (3) CalTrain cost assumes clean diesel with portal at Fifth/Townsend.
- (4) Does not include the cost of demolishing existing Transbay Terminal, about \$10 million.
- (5) Option 1 = \$540; Option 2 = \$594; Option 3 (All four tracks to Market Street) = \$744.

(6) Circular provides more room for public gathering.

(7) Full vertical indicates that bus terminal be located directly above CalTrain Terminal.

(8) Partial vertical indicates that bus terminal and CalTrain Terminal would intersect.

(9) Ramps used for both automobile and bus traffic are not included.

(10) Adjustments would be needed to Transbay Terminal.

(11) Ramp costs estimated by Parsons Brinkerhoff.

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MINUTES

REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JANUARY 24, 1996 - 1:00 P.M. VETERANS BUILDING
401 VAN NESS AVENUE
ROOM 410

MEMBERS: SUPERVISORS TOM HSIEH, BARBARA KAUFMAN, SUE BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:07 P.M.

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AUG 27 1996

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CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Budget Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item:
 - (a) File 100-91-1.38. [Reserved Funds, Dept. City Planning] Consideration of release of reserve funds, City Planning Department, (Sales Tax from San Francisco Transportation Authority) in the amount of \$6,857, for the Bernal Heights Capital Improvement Project, to include upgrading substandard streets, water main and sewer connections. (Department of City Planning)
 - (b) File 187-96-1. [Trial Court Funding, 1996-1997] Resolution electing to become subject to the provisions of the State Trial Court Funding Program for the period of July 1, 1996 through June 30, 1997. (Controller)

SPEAKERS: None.

ACTION: FILE 100-91-1.38 - RELEASE OF \$6,857 APPROVED. FILED.
FILE 187-96-1 - RECOMMENDED.

VOTE: 3-0.

HEARING

2. File 100-95-12. [Joint Report of Controller and Budget Analyst] Hearing to consider the joint report of the Controller and Budget Analyst, estimating the long-term budget impacts federal cuts will have on San Francisco's budget over the next seven (7) to nine (9) years. (Supervisor Hsieh)

(Consideration Continued from 1/17/96)

SPEAKERS: None.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO JANUARY 31, 1996.

VOTE: 3-0.

FISCAL

3. File 101-95-38. [Appropriation, Board of Supervisors] Ordinance appropriating \$125,000, Board of Supervisors, from the General Fund Reserve for professional services to allow the Budget Analyst to conduct a comprehensive management audit at the Municipal Railway for fiscal year 1995-96 (Implementation of Proposition "J"). (Controller) RO #95115

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Mike Martin, Office of the Mayor. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

4. File 101-95-39. [Appropriation, Civil Service Commission] Ordinance appropriating \$300,000, Civil Service Commission, to conduct a classification study for fiscal year 1995-96. (Controller) RO #95111

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Wendell Pryor, Director, Department of Human Resources; Mariretta Zomora, Assistant to Executive Officer, Civil Service Committee. IN SUPPORT: None. OPPOSED: None.

(Consideration Continued from 1/10/96)

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Replace "Civil Service Commission" with "Department of Human Resources". Add a Section 2 to read: Funds in the amount of \$150,000 are hereby placed on reserve, to be released by the Budget Committee pending a report back to the Budget Committee on the results achieved from the first \$150,000 expenditure. AMENDED TITLE: "Ordinance appropriating \$300,000, Department of Human Resources, to conduct a classification study for fiscal year 1995-96; placing \$150,000 on reserve."

VOTE: 3-0.

5. File 101-95-41. [Appropriation, Recreation and Park Dept.] Ordinance appropriating \$250,000 from the General Fund Reserve to a capital improvement project to allow the Recreation and Park Department to match funds for the design of the reconstruction of the Conservatory of Flowers for fiscal year 1995-96. (Controller) RO #95124

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Ed Harrington, Controller; Phil Arnold, Assistant General Manager, Recreation and Park Department. IN SUPPORT: Deanna Brinkman, S.F. Garden Club. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED.
Add a Section 2 to read: Funds in the amount of \$250,000 are hereby placed on reserve, to be released by the Budget Committee pending the selection of a contractor, the MBE/WBE status of the contractor, and the submission of a detailed project budget.
AMENDED TITLE: "Ordinance appropriating \$250,000 from the General Fund Reserve to a capital improvement project to allow the Recreation and Park Department to match funds for the design of the reconstruction of the Conservatory of Flowers for fiscal year 1995-96; placing \$250,000 on reserve."

VOTE: 3-0.

6. File 101-95-42. [Appropriation, Recreation and Park Dept.] Ordinance appropriating \$542,800 from the General Fund Reserve for other current expenses, materials and supplies and overtime for storm damage repair at the Recreation and Park Department for fiscal year 1995-96. (Controller) RO #95123

SPEAKERS: Harvey Rose, Budget Analyst; Phil Arnold, Assistant General Manager, Recreation and Park Department. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED.
Reduce the appropriation to \$489,800. Add a Section 2 to read: Funds in the amount of \$236,000 are hereby placed on reserve, to be released by the Budget Committee pending the selection of contractors, the MBE/WBE status of the contractors, and the submission of contract cost details. Add a Section 3 to read: Although the City has incurred no legal obligation under the Charter, the Board of Supervisors does hereby appropriate the funds necessary for the obligation and does hereby ratify the action previously taken." AMENDED TITLE: "Ordinance appropriating \$489,800 from the General Fund Reserve for other current expenses, materials and supplies and overtime for storm damage repair at the Recreation and Park Department for fiscal year 1995-96. Placing \$236,000 on reserve and providing for ratification of action previously taken."

VOTE: 3-0.

7. File 101-95-43. [Appropriating, Mayor's Office] Ordinance appropriating \$142,937 from the General Fund Reserve for salaries and fringe benefits for the Mayor's Office for fiscal year 1995-96; placing \$142,937 on reserve. (Estimate of vested vacation and fringes.) (Controller) RO #95122

SPEAKERS: None.

ACTION: CONSIDERATION CONTINUED TO THE FEBRUARY 7, 1996, MEETING.

VOTE: 2-1. (Supervisor Bierman absent.)

TIME MEETING ADJOURNED: 2:15 P.M.

CITY AND COUNTY



OF SAN FRANCISCO

DOCUMENTS DEPT.

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

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January 19, 1996

TO: Budget Committee

FROM: Budget Analyst *Recommendations for mtg of*

SUBJECT: January 24, 1996 Budget Committee Meeting

Item 1a - File 100-91-1.38

Department: Department of City Planning (DCP)

Item: Hearing to request release of reserved funds in the amount of \$6,857 for the Bernal Heights Capital Improvement Project.

Amount: \$6,857

Source of Funds: Program Income from the Community Development Block Grant Program (CDBG)

Description: In 1989, the San Francisco electorate approved Proposition B, which allocated Transportation Authority Sales Tax funds for various transportation-related capital improvement projects, including the Bernal Heights Capital Improvement Project. In 1991, the Board of Supervisors approved a resolution adopting the Bernal Heights East and South Slope Revitalization Feasibility Report, which contained cost estimates for the improvement of streets and infrastructure on the east and south slopes of Bernal Heights (File 161-90-3). That resolution also requested that City Planning Department specify a project area and formulate a preliminary project plan for the project area. The Finance

Committee of the Board of Supervisors placed \$100,000 on reserve in the 1992 Community Development Block Grant (CDBG) budget, to be used by the Planning Department to coordinate the infrastructure improvement process.

The purpose of the Bernal Heights East and South Slope Planning and Improvement Study is to implement infrastructure improvements in three study areas: (1) Brewster and Joy Streets; (2) Banks and Chapman Streets; and (3) Bradford and Jarboe Streets. The infrastructure improvements include street repairs, the construction of retaining walls, water pressure and sewer line improvements, the installation of new fire hydrants, the undergrounding of utilities and the installation of street lighting. The Department of Public Works (DPW) is the sponsoring agency for this project and is responsible for design, engineering and construction management.

Of the \$100,000 originally placed on reserve, \$93,143 has been released thus far to support the Planning Department's involvement on the project through FY 1994-95, including the development of a preliminary capital improvement plan, coordination with other City agencies, community outreach and the completion of an environmental review process, thereby leaving a balance on reserve of \$6,857.

The Planning Department estimates that the cost to provide continued Planning Department staffing for the project during FY 1995-96 is approximately \$32,000. This amount provides for approximately 600 hours at \$53 per hour for one 0.29 FTE Planner III position to work on the project on a part-time basis. Of this \$32,000 amount, \$25,000 is being funded by a work order from DPW of Proposition B Transportation Authority Sales Tax funds. The Planning Department is now requesting the release of the remaining \$6,857 on reserve to fund the balance of the Planning Department's estimated cost of \$32,000 for FY 1995-96.

Comments:

1. DPW estimates that the cost of the capital improvements is anticipated to total approximately \$7,355,000 through the year 2000. Mr. Albert advises that the Planning Department and DPW expect to obtain this funding primarily from the San Francisco County Transportation Authority allocations of 1989 Transportation Sales Tax (Proposition B) funds.
2. The Attachment, provided by DPW, describes the capital improvements and contains cost estimates for each phase of the project, totaling \$7,355,000.

3. Mr. Albert states that, in the past four years, the Planning Department has worked closely with a community group, known as the Bernal Heights East and South Slope Improvement Committee, as well as with DPW, the Water Department, the Fire Department, the Department of Parking and Traffic, the Public Utilities Commission and the City Attorney's Office to develop a plan for the improvements and to assist DPW in applying for funds from the Transportation Authority. Mr. Albert reports that construction on the Brewster and Joy Streets phase began in March of 1995 and that design and development on the Banks and Chapman Streets phase is now in progress.

Recommendation: Approve the requested release of \$6,857 in reserved funds.

DATE: December 14, 1994
SPONSORING DEPARTMENT: Department of Public Works
CATEGORY: Major Capital Improvements
SUBCATEGORY:

EXPENDITURE PLAN NAME & LINE ITEM NUMBER: #36 Bernal Heights ST. System Upgrading

PROJECT DESCRIPTION: This project includes both the upgrading of the existing street system and the construction of streets and infrastructure. The project has been divided into the three phases: Area 1 includes the Brewster to Joy section, including the construction of the Esmerelda Stairs, Area 2 includes the Banks to Chapin section, and, Area 3 includes the Bradford to Jarboe section. Significant community input will accompany the last two area improvements, impacting the conceptual engineering for the project. The entire project includes street reconstruction, new street construction, water, sewer, lighting, and landscaping improvements.

PROJECT MANAGER: Joe Ovadia

PROJECT SCHEDULE:

MILESTONES	START DATE	FINISH DATE	ESTIMATED COST*
Planning	2/5/93	6/30/97	\$255,000
Design	10/5/93	6/30/98	\$520,000
Right-of-Way Acquisition	4/94	9/94	\$110,000
Construction	5/96	9/99	\$6,470,000
		TOTAL CAPITAL COSTS:	\$7,355,000

Prepared By: Lillian Hames

Concurred By: Joe Ovadia

DATE: September 30, 1994
SPONSORING DEPARTMENT: Department of Public Works
EXPENDITURE PLAN NAME & LINE ITEM NUMBER: #36 Bernal Heights St. Upgrading System
PROJECT MANAGER: Joe Ovadia

LINE ITEMS	To Date	FY 94/95	FY 95/96	FY 96/97	FY 97/98	FY 98/99	FY 99/00	FY 00/01	FY 01/02	FY 02/03	FY 03/04	FY 04/05	Beyond 2005	TOTAL
Planning	* \$130,000	** \$75,000	*** \$50,000											\$255,000
Environmental														
Design	* \$170,000	* \$75,000	** \$125,000		*** \$150,000									\$520,000
Right-Of-Way Acquisition		* \$110,000												\$110,000
Procurement														
Construction	* \$200,000	* \$2,400,000			** \$2,300,000		*** \$1,570,000							\$6,470,000
Sub-Total Capital Costs														
Incremental O&M Costs (if applicable)														
TOTAL PROJECT COST	\$500,000	\$185,000	\$2,600,000	\$50,000	\$2,450,000		\$1,570,000							\$7,355,000

* Phase 1 - Brewster / Joy Area (Includes the Esmeralda Stairs) - \$3,085,000
 ** Phase 2 - Banks / Chapman Area - \$2,500,000
 *** Phase 3 - Bradford / Jarboe Area - \$1,770,000

Memo to Budget Committee
January 24, 1996 Budget Committee Meeting

Item 1b - File 187-96-1

Department: Controller
Trial Courts

Item: Resolution electing for the City and County of San Francisco to become subject to the provisions of the State Trial Court funding program for the period of July 1, 1996 through June 30, 1997

Description: The proposed resolution would commit the City to being subject to the provisions of the State Trial Court Funding Program for FY 1996-97, which specifies that counties will receive funding for court operations from the State according to a formula set by the State. In order to participate in the Program, the City must approve the proposed resolution and file it with the State Controller by March 1, 1996. San Francisco has elected to participate in the State Trial Court Funding Program each year since FY 1988-89.

According to the Controller's Office, under the State's formula for FY 1996-97, San Francisco can expect to receive approximately \$16 million in funding for the Trial Courts. In consideration for receiving such funding, the City must maintain the level of expenditure for court operations that was established in its first full fiscal year of participation in the Trial Court Funding Program (FY 1989-90). San Francisco's level of expenditure for that year was \$15.2 million.

Comment: As noted above, the Controller estimates that the City can expect to receive approximately \$16 million from the State Trial Court Funding Program in FY 1996-97. However, this amount does not cover all City costs for the Trial Courts, which have a final, approved budget of \$48.5 million for FY 1995-96. In FY 1994-95, the City received \$16,019,805 million under the State Trial Court Funding Program, and for FY 1995-96, the City is budgeted to receive an amount of \$15,987,000 under this program.

Recommendation: Approve the proposed resolution.

Item 2 - File 100-95-12

Note: This item was continued by the Budget Committee at its meeting of January 17, 1996.

This item is a hearing concerning the long-term budget impacts that Federal budgetary reductions will have on the budget of the City and County of San Francisco over the next seven to nine years.

The Controller and the Budget Analyst will orally advise the Committee on any updated information obtained regarding the impacts which pending Federal budgetary reductions will have on San Francisco.

Item 3 - File 101-95-38

Department: Board of Supervisors

Item: Ordinance appropriating \$125,000 from the General Fund to professional services to fund the management audit of the Municipal Railway as required under Proposition J of November, 1995.

Amount: \$125,000

Source of Funds: General Fund - General Reserve

Description: On November 7, 1995, San Francisco voters approved Proposition J, which mandates that "a comprehensive management audit (of the Municipal Railway) be conducted by the Budget Analyst." Proposition J requires that within "30 days after the effective date of this ordinance . . . the City and County of San Francisco shall appropriate the sum of \$125,000 from any legally available funds for the Transportation Commission to pay the fees and expenses of the Budget Analyst." Proposition J specifies the content of the required audit, as follows:

"The audit shall include, but not be limited to the following:

- (1) Improved Service and Scheduling
- (2) Increasing Cost Efficiencies
- (3) Selling of Surplus Assets
- (4) Acquisition Plans for New Equipment
- (5) Salaries and Employee Benefits
- (6) Safety of Passengers and Drivers
- (7) Contracting Out Specific Routes"

Further, Proposition J requires that the Transportation Commission conduct "three consecutive months of public hearings to review the findings and recommendations contained in the report."

Comments: 1. The appropriation of \$125,000 for the management audit of the Municipal Railway meets the funding requirements of the Proposition. However, this amount is not sufficient to conduct a "comprehensive" management audit of the Municipal Railway.

2. Our assessment of the professional staff hours required to perform a "comprehensive" management audit of the Municipal Railway shows a need of approximately 4,940

BOARD OF SUPERVISORS
BUDGET ANALYST

professional staff hours. The proposed \$125,000 amount will only fund 1,765 hours at the current Budget Analyst billing rate which is 3,175 hours or 64 percent less than what we believe a comprehensive management audit of the Municipal Railway would require.

3. The Budget Analyst has prepared two work plans for information purposes (attached). The first work plan, Attachment 1, will allow the Budget Analyst to perform analysis of all of the voter mandated audit areas within the \$125,000 amount designated by Proposition J, and attend some Transportation Commission hearings. While we believe the expenditure of \$125,000 will produce a management audit which should result in benefits and improvements to the Municipal Railway, as noted above, this work plan will not produce a comprehensive management audit of the Municipal Railway.

The second work plan, Attachment 2, would produce a comprehensive management audit of the Municipal Railway for a cost to the City of approximately \$350,000. However, the estimated cost of this second work plan exceeds the Supplemental Appropriation request by \$225,000.

- Recommendations:**
1. Approve the proposed ordinance in the amount of \$125,000 in order to comply with the requirements of Proposition J.
 2. Approval of a more comprehensive audit scope is a policy matter for the Board of Supervisors.

**Limited Scope Workplan to Perform a
Management Audit of the Municipal Railway
Prepared for the Board of Supervisors
City and County of San Francisco**

<u>Task</u>	<u>Description</u>	<u>Hours</u>
1	<u>Entrance Conference and Data Collection</u>	
1.1	Conduct an entrance conference with the Director of Public Transportation and other Municipal Railway (MUNI) managers. Introduce the management audit team. Describe the management audit scope, procedures, and protocol, and respond to questions from Department managers. Request and obtain information Department managers believe should be immediately provided to the management audit team.	10
1.2	Review background information provided by the Department and collected from other sources, including other City and County departments, the Metropolitan Transportation Commission (MTC), and other agencies. Review and assess this information.	40
Task 1 Hours Subtotal		50
2	<u>Improved Service and Scheduling [Proposition § (c) (1)]</u>	
2.1	Conduct a limited review of MUNI Operations, by mode of service, to determine method of operation, hours of service, scheduling, and ridership. Review and analyze available MUNI statistics to identify impacted routes. Collect information on missed service due to operator unavailability, equipment failure and other factors (e.g., traffic congestion during peak commute hours). Review the MUNI's efforts to communicate and coordinate services with other Bay Area transit operators. Determine opportunities for improving service by mode of operation through route restructuring and other means.	200

**Limited Scope Workplan to Perform a
Management Audit of the Municipal Railway
(Continued)**

<u>Task</u>	<u>Description</u>	<u>Hours</u>
2.2	Conduct a limited review of vehicle and right-of-way maintenance activity (e.g., cable, electric overhead wire, shelters/stops, etc.) by mode of operation. Identify major maintenance issues which impact the ability of MUNI to deliver on-time and reliable service. Develop recommendations for improving maintenance services.	100
2.3	Evaluate MUNI's capital projects management and budgeting process. Included in this analysis will be an evaluation of the benefits to be achieved from the Automatic Train Control (ATC) system and the Turn-back projects currently being implemented by MUNI.	40
Task 2 Hours Subtotal		340
3	<u>Increasing Cost Efficiencies [Proposition § (c) (2)]</u>	
3.1	Review the impact on operating and maintenance costs which may result from the scheduling practices of the Department, including opportunities for modifying the number of platform hours required to provide current service levels. Evaluate the use of overtime to meet operator scheduling needs. Review the impact of City and County funding policies on the ability of MUNI to provide on-time and reliable services. Determine the impact work rules have on scheduling, service delivery, and costs.	180
3.2	Conduct a limited review of MUNI's sick leave and workers compensation controls, including the effectiveness of the Department's incident reporting and monitoring systems, return-to-work programs, safety training programs, and implementation of corrective action on identified causes of injury.	100

**Limited Scope Workplan to Perform a
Management Audit of the Municipal Railway
(Continued)**

<u>Task</u>	<u>Description</u>	<u>Hours</u>
3.3	Conduct a limited review of MUNI supervision practices to determine whether supervisory positions have been appropriately staffed, and whether supervisors are provided with sufficient authority and tools for effectively supervising their units. This evaluation will be performed in view of current requirements of collective bargaining agreements and the Charter.	40
3.4	Conduct a limited review of the controls over the collection, receipt, and deposit of farebox revenues. Evaluate the impact of MUNI's transfer policy on farebox revenues.	40
Task 3 Hours Subtotal		360
4	<u>Selling of Surplus Assets</u> [Proposition § (c) (3)]	
4.1	Review documentation of previous and current efforts to dispose of surplus assets, including real property and facilities. Identify current assets using existing MUNI reports (assumes an accurate inventory of fixed assets exists). Analyze data contained in the inventory reports to determine the type, quantity, age, condition, and value of currently owned equipment. Conduct interviews with responsible MUNI employees to assess the accuracy of reports.	80
4.2	Categorize assets to determine which equipment and real property may be appropriate for disposal. Review available records regarding the current and planned use of existing equipment and real property. Determine an estimated sale value for identified assets. Evaluate whether MUNI's property disposal policies are appropriate, and applied in practice.	40
Task 4 Hours Subtotal		120

**Limited Scope Workplan to Perform a
Management Audit of the Municipal Railway
(Continued)**

<u>Task</u>	<u>Description</u>	<u>Hours</u>
5	<u>Acquisition Plans for New Equipment</u> [Proposition § (c) (4)]	
5.1	Review MUNI's plans for new and replacement equipment (primarily rolling stock). Evaluate the process used by the Department to assess the condition of existing equipment and the impacts from service changes in order to define such need.	60
5.2	Conduct a limited assessment of historical costs and funding sources for the purchase of new equipment. Determine whether MUNI aggressively pursues receipt of grant funds from other agencies for the purchase of new and replacement equipment.	40
5.3	Determine whether MUNI has fully considered operating needs, the condition of existing equipment, new technologies, and the availability of funding when developing plans for new equipment acquisition. Determine the adequacy of these plans, and make recommendations for improvements.	40
Task 5 Hours Subtotal		140
6	<u>Salaries and Employee Benefits</u> [Proposition § (c) (5)]	
6.1	Review salary survey documentation for previous years which is maintained by the Civil Service Commission. Collect salary and benefit changes for MUNI employees since the last reported salary and benefit comparison with major transit service providers in the United States.	40
6.2	Interview management and employee group representatives to obtain their perspectives on salaries and benefits paid to MUNI employees. Review current collective bargaining agreements with major employee groups, and review representative compensation profiles by employee classification (e.g., operators, mechanics, electricians, etc.). Determine how existing work rules impact the cost of services.	80

**Limited Scope Workplan to Perform a
Management Audit of the Municipal Railway
(Continued)**

<u>Task</u>	<u>Description</u>	<u>Hours</u>
6.3	As appropriate, determine whether MUNI employees are paid in accordance with applicable Charter requirements related to industry benchmarks.	40
Task 6 Hours Subtotal		160
7	<u>Safety of Passengers and Drivers [Proposition § (c) (6)]</u>	
7.1	Compare MUNI's existing safety plan with the safety plans of two other transit operators selected on the basis of standardized passenger and driver safety performance. Develop a matrix which illustrates the major elements of the safety plans received from the other agencies. Determine whether any areas are missing from MUNI's plan.	80
7.2	Evaluate driver safety performance, in relation to federally established safety guidelines. Evaluate MUNI's success with implementing its safety plan. Review MUNI operations to ensure that the provisions of the safety plan are being implemented.	40
7.3	Review reports on the incidence of criminal activity on MUNI vehicles, and at stations and stops. Evaluate MUNI's recent efforts to reduce the incidence of criminal activity affecting the safety of passengers and employees. <i>(NOTE: This task will be coordinated with the Management Audit of the Police Department, currently being conducted by the Budget Analyst).</i>	60
Task 7 Hours Subtotal		180

Limited Scope Workplan to Perform a Management Audit of the Municipal Railway (Continued)

<u>Task</u>	<u>Description</u>	<u>Hours</u>
8	<u>Contracting Out Specific Routes [Proposition § (c) (7)]</u>	
8.1	Review existing contracts for passenger services, including contracts for paratransit and other specific service modes. Obtain and evaluate passenger service contracts in surveyed jurisdictions (Task 1.4--however, the survey may be expanded to include major municipalities which supplement services provided by local transit agencies in other jurisdictions). Determine types of services currently contracted by MUNI and by other jurisdictions. Compare broad range estimated contract versus in-house costs for providing the identified services.	80
8.2	Develop selection criteria and identify routes that could be contracted. Identify opportunities for expanding service through contracting, such as expanded shuttle routes from BART, CalTrain, large employment centers, and hotels or conventions. Estimate the cost for these contracted services, and develop recommendations for potential implementation.	120
Task 8 Hours Subtotal		200
9	<u>Draft Report Preparation and Exit Conferences</u>	
9.1	Prepare the draft management audit report and submit the draft report to the department for review.	160
9.2	Conduct an exit conference with the Director of Public Transportation and Municipal Railway management to review the report for factual correctness and clarity.	15
9.3	Modify the report, as appropriate, and produce a final report for submittal to the Board of Supervisors, the Mayor, and the Transportation Commission.	10
Task 9 Hours Subtotal		185

**Limited Scope Workplan to Perform a
Management Audit of the Municipal Railway
(Continued)**

<u>Task</u>	<u>Description</u>	<u>Hours</u>
10	<u>Final Report Presentation and Consultation</u> Attend Transportation Commission public hearings to present and discuss the final report. Consult with the Transportation Commission on the development of an action plan to be submitted to the Mayor and the Board of Supervisors. Present the report to the Board of Supervisors, as required.	30
Task 10 Hours Subtotal		30
TOTAL PROJECT HOURS		1,765

**Comprehensive Scope Workplan to Perform a
Management Audit of the Municipal Railway
Prepared for the Board of Supervisors
City and County of San Francisco**

<u>Task</u>	<u>Description</u>	<u>Hours</u>
1	<u>Entrance Conference and Data Collection</u>	
1.1	Conduct an entrance conference with the Director of Public Transportation and other Municipal Railway (MUNI) managers. Introduce the management audit team. Describe the management audit scope, procedures, and protocol, and respond to questions from Department managers. Request and obtain information Department managers believe should be immediately provided to the management audit team.	10
1.2	Review background information provided by the Department and collected from other sources, including other City and County departments, the Metropolitan Transportation Commission (MTC), and other agencies. Review and assess this information.	40
1.3	Determine if MUNI has implemented recommendations included in previous reports on operations (such as those included in triennial performance audits performed for MTC).	70
1.4	Conduct a survey on specific operating policies and practices of the ten largest urban transit operators in the United States. The survey instrument will include questions which relate to the management audit tasks approved by the City and County for this study. All questions will be provided to MUNI management for review, and MUNI will be invited to provide comments and recommendations for modifications to the survey instrument before circulation to the survey participants. Survey results will be supplemented with data published by the federal and State departments of transportation, and other agencies, and will be used as benchmark indicators of areas to focus our management audit efforts.	160
Task 1 Hours Subtotal		280

**Comprehensive Scope Workplan to Perform a
Management Audit of the Municipal Railway
(Continued)**

<u>Task</u>	<u>Description</u>	<u>Hours</u>
2	<u>Improved Service and Scheduling [Proposition § (c) (1)]</u>	
2.1	Review customer service complaints. Segregate and analyze complaint statistics by general category, such as: (1) Service Delay; (2) Operator Conduct; and, (3) Equipment Condition. Determine whether a system has been established to ensure that the department is responsive to individual complainants, and that there is a strategic approach to correcting system deficiencies identified from complaint resolution.	120
2.2	Conduct a review of each of the twelve MUNI Operations Units, to examine operations by mode of service and route, and to determine the method of operation, hours of service, scheduling, and ridership. Review and analyze capacity, ridership, and schedule statistics to identify routes which are least able to meet service demands. Evaluate routes to determine those which result in the greatest to the least net cost, and review data on farebox revenue per passenger mile. Collect information on missed service due to operator unavailability, equipment failure and other factors (e.g., traffic congestion during peak commute hours). Evaluate MUNI's ability, and practice, for immediately responding to mechanical breakdowns and other service delays. Determine opportunities for improving service by mode of operation.	600
2.3	Conduct a detailed review of vehicle and right-of-way maintenance activity (e.g., cable, electric overhead wire, shelters/stops, etc.) by mode of operation. Based on data collected in Task 2.1 and 2.2, above, identify major maintenance issues which impact the ability of MUNI to deliver on-time and reliable service. Develop recommendations for improving maintenance services, including potential modifications to the Department's preventive maintenance program.	240

Comprehensive Scope Workplan to Perform a Management Audit of the Municipal Railway (Continued)

Task	Description	Hours
2.4	Determine potential costs and/or benefits which may be associated with the number and diversity of operating modes utilized by MUNI. Evaluate the impact which these operating modes may have on the ability of the Department to provide on-time and reliable services to the San Francisco community. Review the MUNI's efforts to communicate and coordinate services with other Bay Area transit operators.	120
2.5	Evaluate MUNI's capital projects plan, capital projects management, budgeting, and the impacts that the implementation of planned improvements may have on the Department's services and scheduling. Included in this analysis will be an evaluation of the benefits to be achieved from the Automatic Train Control (ATC) system and the Turn-back projects currently being implemented by MUNI.	120
Task 2 Hours Subtotal		1,200

3 Increasing Cost Efficiencies [Proposition § (c) (2)]

- | | | |
|-----|---|-----|
| 3.1 | Review the impact on operating and maintenance costs which may result from the scheduling practices of the Department, including opportunities for modifying the number of platform hours required to provide current service levels. Evaluate the use of overtime to meet operator scheduling needs. Review the impact of City and County funding policies on the ability of MUNI to provide on-time and reliable services. Determine the impact work rules have on scheduling, service delivery, and costs. | 180 |
| 3.2 | Evaluate sick leave and workers compensation controls, including the effectiveness of the Department's incident reporting and monitoring systems, return-to-work programs, safety training programs, and implementation of corrective action on identified causes of injury. | 160 |

**Comprehensive Scope Workplan to Perform a
Management Audit of the Municipal Railway
(Continued)**

<u>Task</u>	<u>Description</u>	<u>Hours</u>
3.3	Assess MUNI supervision practices to determine whether supervisory positions have been appropriately staffed, and whether supervisors are provided with sufficient authority and tools for effectively supervising their units. This evaluation will be performed in view of current requirements of collective bargaining agreements and the Charter.	160
3.4	Evaluate the Department's minor equipment and parts purchasing practices, including the process used by the department for identifying and purchasing low cost minor equipment and parts; the use of modern purchasing techniques; the documentation and claiming process for warranty reimbursement; and programs for reducing inventory shrinkage.	200
3.5	Assess MUNI's route and service information functions, including the organization and process used to provide route and service information to the public. Included in this assessment will be a review of the process for developing and circulating service schedules, and for responding to written and verbal inquiries from the public. In addition, MUNI activities related to Fast Pass sales will be assessed.	80
3.6	Evaluate the use, maintenance, and cost of non-revenue vehicles by MUNI management and employees. Determine whether alternative methods of transportation for MUNI employees would reduce costs while maintaining efficiency and effectiveness of the Department.	100
3.7	Evaluate judgments and claims made against MUNI. Determine whether claims experience could be reduced through increased training, or modified policies related to reporting and follow-up on accidents and other vehicle incidents. Evaluate the effectiveness of MUNI's drug testing program on the incidence of drug related accidents.	200

**Comprehensive Scope Workplan to Perform a
Management Audit of the Municipal Railway
(Continued)**

<u>Task</u>	<u>Description</u>	<u>Hours</u>
3.8	Review administration, information systems, fiscal and accounting support services within MUNI. Determine whether adequate procedures and controls have been established to protect the assets of the City and County. Assess the role of fiscal and accounting personnel in grant development and claiming.	160
3.9	Assess the controls over the collection, receipt, and deposit of farebox revenues, including the timeliness of deposit and MUNI's effectiveness at making such revenues available for investment. Evaluate the impact of MUNI's transfer policy on farebox revenues.	120
3.10	Evaluate MUNI's advertising sales program to determine whether increased revenues could be generated.	60
Task 3 Hours Subtotal		1,420
4	<u>Selling of Surplus Assets [Proposition § (c) (3)]</u>	
4.1	Review documentation of previous and current efforts to dispose of surplus assets, including real property and facilities. Identify current assets using existing MUNI reports (assumes an accurate inventory of fixed assets exists). Analyze data contained in the inventory reports to determine the type, quantity, age, condition, and value of currently owned equipment. Conduct interviews and sample inventories to confirm the accuracy of reports.	200
4.2	Categorize assets to determine which equipment and real property may be appropriate for disposal. Review available records regarding the current and planned use of existing equipment and real properties. Determine an estimated sale value for identified assets. Evaluate whether MUNI's property disposal policies are appropriate, and applied in practice.	40
Task 4 Hours Subtotal		240

Comprehensive Scope Workplan to Perform a Management Audit of the Municipal Railway (Continued)

<u>Task</u>	<u>Description</u>	<u>Hours</u>
5	<u>Acquisition Plans for New Equipment</u> [Proposition § (c) (4)]	
5.1	Review MUNI's plans for the procurement of new equipment and replacement equipment. Evaluate the process used by the Department to assess the condition of existing equipment and the impacts from service changes in order to define such need.	60
5.2	Identify historical costs and funding sources for the purchase of revenue vehicles and other major equipment. Review MUNI's regular annual budget and the Mayor's budget priorities to determine whether there are existing available funds for equipment purchase. Determine whether MUNI aggressively pursues receipt of grant funds from other agencies for the purchase of new and replacement equipment.	100
5.3	Evaluate current contracts for the manufacture of San Francisco's light rail vehicles, including a review of the reasons for cost overruns and schedule delays. Evaluate MUNI's performance with the purchase, testing, and installation of the Automatic Train Control system.	120
5.4	Identify new technologies that may increase MUNI operating and maintenance efficiency. Determine if MUNI has assessed whether changes in the number of transit modes or service delivery methods would reduce equipment costs or increase operating efficiency.	80
5.5	Analyze the impact that equipment acquisition policies, practices, and choices may have on operating costs. Determine whether life cycle costing, and other generally accepted methods of evaluating purchase decisions for major acquisitions are effectively used by MUNI.	80

**Comprehensive Scope Workplan to Perform a
Management Audit of the Municipal Railway
(Continued)**

Task	Description	Hours
5.6	Determine whether MUNI has fully considered operating needs, the condition of existing equipment, new technologies, and the availability of funding when developing plans for new equipment acquisition. Determine the adequacy of these plans, and make recommendations for improvements.	40
Task 5 Hours Subtotal		480
6	<u>Salaries and Employee Benefits</u> [Proposition § (c) (5)]	
6.1	Review salary survey documentation for previous years which is maintained by the Civil Service Commission. Collect salary and benefit changes for MUNI employees since the last reported salary and benefit comparison with major transit service providers in the United States.	40
6.2	Interview management and employee group representatives to obtain their perspectives on salaries and benefits paid to MUNI employees. Review current collective bargaining agreements with major employee groups, and review representative compensation profiles by employee classification (e.g., operators, mechanics, electricians, etc.). Determine how existing work rules impact the cost of services.	80
6.3	Update salary and benefit survey information for major classifications, as necessary. As appropriate, determine whether MUNI employees are paid in accordance with applicable Charter requirements related to industry benchmarks. Determine how the salary compensation practices of the City and County compare with those of other major transit operators.	120
Task 6 Hours Subtotal		240

**Comprehensive Scope Workplan to Perform a
Management Audit of the Municipal Railway
(Continued)**

<u>Task</u>	<u>Description</u>	<u>Hours</u>
7	<u>Safety of Passengers and Drivers (Proposition § (c) (6))</u>	
7.1	Compare MUNI's existing safety plan with the safety plans of between four and six transit agencies selected on the basis of standardized driver safety performance. Develop a matrix which illustrates the major elements of the safety plans received from the other agencies. Determine whether any areas are missing from MUNI's plan.	120
7.2	Evaluate driver safety performance, in relation to federally established safety guidelines. Evaluate MUNI's success with implementing its safety plan. Review MUNI operations to ensure that the provisions of the safety plan are being implemented.	40
7.3	Identify and evaluate the incidence of criminal activity on MUNI vehicles, and at stations and stops. Evaluate MUNI's recent efforts to reduce the incidence of criminal activity affecting the safety of passengers and employees. <i>(NOTE: This task will be coordinated with the Management Audit of the Police Department, currently being conducted by the Budget Analyst).</i>	120
7.4	Review MUNI's worker safety, Workers Compensation, and return-to-work programs. Determine efficacy of any safety education and training, incentives to avoid injury, and injury avoidance procedures (this task would be conducted in conjunction with Subtask 3.2, which evaluates employee sick leave and workers compensation control systems).	80
Task 7 Hours Subtotal		360

Comprehensive Scope Workplan to Perform a Management Audit of the Municipal Railway (Continued)

<u>Task</u>	<u>Description</u>	<u>Hours</u>
8	<u>Contracting Out Specific Routes</u> [Proposition § (c) (7)]	
8.1	Review existing contracts for passenger services, including contracts for paratransit and other specific service modes. Obtain and evaluate passenger service contracts in surveyed jurisdictions (Task 1.4--however, the survey may be expanded to include major municipalities which supplement services provided by local transit agencies in other jurisdictions). Determine types of services currently contracted by MUNI and by other jurisdictions, and develop estimated costs for such services if MUNI were to modify contracting policies. Compare the estimated contract versus in-house costs for providing the identified services.	120
8.2	Develop selection criteria and identify routes that could be contracted. Identify opportunities for expanding service through contracting, such as expanded shuttle routes from BART, CalTrain, large employment centers, and hotels or conventions. Estimate the cost for these contracted services, and develop recommendations for potential implementation.	120
Task 8 Hours Subtotal		240
9	<u>Draft Report Preparation and Exit Conferences</u>	
9.1	Prepare the draft management audit report and submit the draft report to the department for review.	400
9.2	Conduct an exit conference with the Director of Public Transportation and Municipal Railway management to review the report for factual correctness and clarity.	20

**Comprehensive Scope Workplan to Perform a
Management Audit of the Municipal Railway
(Continued)**

Task	Description	Hours
9.3	Modify the report, as appropriate, and produce a final report for submittal to the Board of Supervisors, the Mayor, and the Transportation Commission.	30
Task 9 Hours Subtotal		450
10	<u>Final Report Presentation and Consultation</u>	
10.1	Attend Transportation Commission public hearings to present and discuss the final report. Consult with the Transportation Commission on the development of an action plan to be submitted to the Mayor and the Board of Supervisors. Present the report to the Board of Supervisors, as required.	30
Task 10 Hours Subtotal		30
TOTAL PROJECT HOURS		4,940

Item 4 - File 101-95-39

Note: This item was continued by the Budget Committee at its meeting of January 10, 1996.

Department: Department of Human Resources
Civil Service Commission

Item: Supplemental appropriation ordinance of \$300,000 from the General Fund Reserve to conduct a classification study for Fiscal Year 1995-96.

Amount: \$300,000

Source of Funds: A reserve of General Fund monies established in 1990

Description: A reserve of \$300,000 was established in 1990 when the Board of Supervisors, at the urging of the Mayor's Office, approved funds for "start-up" costs for a Citywide classification study. The Controller advises that the \$300,000 of funds for this initial classification study have been carried forward on reserve and are available for expenditure through the City's supplemental appropriation process. The proposed supplemental appropriation ordinance would therefore provide the start-up funds of \$300,000 to enable the Department of Human Resources to begin a Citywide classification study.

For several years, the Civil Service Commission has advocated for a major overhaul of the City and County's position classification system, including the need for an overall reduction in the number of employee classes maintained by the City from the current 1,620 position classifications to less than 1,000 position classifications. The Civil Service Commission states that although this project has been delayed in the past due to various circumstances, it is now more critical than ever to fully assess and control the City's classification system, which will streamline the City's ability to contain personnel costs. In addition, Mr. Wendell Pryor of the Department of Human Resources states that the proposed classification study would achieve three objectives: (1) assure compliance with the Federal Fair Labor Standards Act and the Federal Americans with Disabilities Act (ADA), (2) provide the City with the means for assigning employee classifications to the proper employee bargaining units and (3) streamline the employee examination and classification process.

Comments:

1. Mr. Jonathan Holtzman of the City Attorney's Office states that, as of the writing of this report, it is likely that an amendment of the whole will be submitted to the Budget Committee at its January 24, 1996 meeting, to provide the Civil Service Commission with some clear parameters for their oversight of the proposed study, while allowing the HRD to actually conduct the study.

2. According to Mr. Pryor, approximately one-half of the proposed \$300,000 appropriation, or \$150,000 would be dedicated to a first phase study for reviewing specific position classifications. The specific position classifications to be reviewed are those covered by the following four employee union contracts: (1) the Municipal Executives Association (MEA); (2) the Municipal Attorney's Association (MAA); (3) Local 21 for Engineers; and (4) Local 21 for Accountants. The current Memoranda of Understanding (MOUs) with these four employee organizations contain language regarding the City undertaking classification and compensation studies regarding these groups of City employees. In fact, the MEA MOU, which was approved by the Board of Supervisors on June 26, 1995, and which is the most specific of the four MOUs concerning the classification study, states that "the City shall appropriate sufficient funds to conduct a study of Civil Service classifications and compensation with the goal of consolidating positions into more general classifications...The City shall advertise a request for proposals for the classification study by July 1, 1995 and shall issue a notice to proceed by October 1, 1995. The target date for completion of the study shall be not later than May 1, 1996." According to Mr. Pryor, the employee classifications represented by these four unions include numerous single incumbent classes, which represent the greatest opportunity for consolidating classes. Mr. Dennis Aftergut of the City Attorney's Office states in a letter shown as Attachment No. 1 to this report that the City Attorney requests that this portion of the supplemental budget request be approved, given the City's obligation in the MOUs.

The remaining one-half of the proposed \$300,000 appropriation, or \$150,000 would be used for the second phase of this study, to develop an overall framework and methodology for conducting the rest of the Citywide classification study, according to Mr. Pryor. Although the specific City departments have not been identified yet, this portion of the study would include a review of at least two City departments. Mr. Pryor reports that the

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proposed funding would also provide for training of the Department of Human Resources staff in the overall framework and methodology necessary to complete the Citywide classification study.

3. According to Mr. Pryor, all of the proposed initial work would be conducted by an outside consultant, with assistance from existing Department of Human Resources and Civil Service Commission staff. According to Mr. Al Walker of the Civil Service Commission, in the Spring of 1995 the Civil Service Commission approved the proposed services as a personal services contract. A Request for Proposal (RFP) was issued in August, 1995 for the proposed classification study. The following five consultants submitted bids:

<u>Bidders</u>	<u>Amount</u>
Coopers & Lybrand	\$555,350
William M. Mercer, Inc.	620,000
Deloitte & Touche	370,000
David M. Griffith & Associates	300,000
Fox Lawson & Associates	275,000

Mr. Pryor reports that David M. Griffith & Associates, whose hourly rates range from \$80 to \$110 per hour, has been selected as the preferred consultant. David M. Griffith & Associates is not a MBE, WBE or LBE.

The Department of Human Resources reports that a copy of the RFP was submitted to the Human Rights Commission and copies were mailed to consultants registered with the City as MBE and WBE human resource consultants. However, no responses were received from any MBE or WBE firms. Mr. Ed Lee of the Human Rights Commission (HRC) reports that the Human Rights Commission has not received any complaints or requests to include MBE or WBE participation on the proposed \$300,000 contract and given that no MBE or WBE firms responded to the RFP, HRC cannot mandate their participation. However, according to Mr. Lee, the Human Rights Commission will work with the Department of Human Resources regarding opportunities for MBE/WBE/LBE participation in any future City overall classification study.

4. Ms. Linda Jofuku of the International Federation of Professional and Technical Engineers (IFPTE) Local 21 states that the classification studies should be carried out

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by City staff, rather than an outside consultant, in order to permit the HRD to manage the process more closely. Ms. Jofuku advises that previous classification studies pertaining to information technology classifications took five years to complete by outside consultants. However, Mr. Pryor states that the HRD does not have the staff to carry out these studies entirely in-house, and would have to hire new limited tenure employees to do so. In a memo from Mr. Pryor included as Attachment No. 2 to this report, Mr. Pryor further states that HRD plans to have the consultants develop a quantitative method to facilitate job analysis activities, and that it is not cost effective to develop such a "point factor" system in-house when effective existing systems are available through the consultant. However, Mr. Pryor states that internal HRD staff will be actively involved in the project.

5. Mr. Pryor reports that completion of this initial proposed work would take approximately one year. However, Mr. Pryor reports that a preliminary set of recommendations should be available within six months.

6. According to Mr. Pryor, it is estimated that an overall Citywide classification and compensation study would cost approximately \$2 million to complete. Mr. Pryor reports that this \$2 million estimate includes the proposed \$300,000 appropriation. Therefore, additional funding of approximately \$1.7 million will be required. Such an overall Citywide classification and compensation study would review the City's approximately 20,000 employees, excluding the Police and Fire Departments' uniform employees.

7. Mr. Pryor indicates that he is looking at alternative funding strategies for financing this \$1.7 million study, such as assessing each City Department \$100 per position over the next several years to pay for the costs of the Citywide study. The Budget Analyst notes that under such a financing strategy, the addition of General Fund and other fund revenues would be required from each City department and could result in service reductions for these City departments. For example, if the Department of Public Health (DPH) were assessed \$100 per position, DPH would have to fund an estimated \$632,000 from its existing budget allocation.

8. The Budget Analyst recommends the approval of the first \$150,000 phase of the proposed study, which would be dedicated to reviewing specific employee classifications,

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as contained in the MEA, MAA and Local 21 MOU approved contracts.

9. In response to the Budget Analyst's request for more specific information regarding actual savings to be achieved by the proposed Citywide classification study, Mr. Pryor has submitted the letter shown as Attachment No. 2 to this report. In the letter, Mr. Pryor states that the City would achieve ongoing savings in the form of lower projected increases in examination costs, based on reductions in the number of civil services exams that would have to be given if the number of classifications is reduced.

Mr. Pryor further states in Attachment No. 2 that, in order to comply with the new City Charter, the City will have to provide civil service tests for all provisional employees (employees holding appointments to civil service positions who have not passed the requisite civil service exam) with more than three years of service by July 1, 1998, or else will have to terminate these employees. According to Mr. Pryor, the consolidation of classifications that is expected to result from the proposed classification study would reduce the number of tests needed to be provided to such provisional employees by 1998 by approximately half, from 616 to 308 exams. This estimate that the number of classifications would be halved is based on the professional judgment of HRD officials. Mr. Pryor states that, if a new accelerated testing program introduced by the HRD is applied to the reduced number of classifications, the HRD could spend \$2.4 million less than anticipated on testing these current provisional employees. This would represent a one-time savings of approximately \$400,000 (\$2.4 million in reduced examination costs less \$2 million in study costs). The Budget Analyst notes that the key determinant in this one-time savings projection is the estimate that a 50 percent reduction in the number of classifications involving provisional employees, from approximately 616 to 308, can be achieved. Mr. Pryor acknowledges that this 50 percent reduction is an estimate only and the actual results will not be known until the completion of the study.

Furthermore, regarding the HRD estimated savings, HRD officials acknowledge that the projected savings in examination costs would not permit a reduction in the HRD budget from current levels. They state that, in the absence of the examination cost savings projected to

be achieved from the proposed study, the HRD would have to hire a significant number of new staff to process the provisional employees by July 1, 1998. In other words, the unsupported projected savings represents a reduction in anticipated future costs increases, rather than a reduction from current funding levels.

10. In the professional judgment of the Budget Analyst, it is possible that the overall fiscal impact of implementation of the Citywide classification study could be negative. In the attached memo (Attachment No. 2), Mr. Pryor states that it is possible that the City could realize savings in lower entry level salaries for certain classifications as a result of the classification study. While such reductions are possible, the Budget Analyst notes that the total net impact on the General Fund of a Citywide classification study could be either positive or negative.

11. The Board of Supervisors previously approved a resolution (File 221-94-4) urging the Mayor to urge the HRD to conduct a comprehensive classification and compensation study and to work with labor organizations, City commissions and City departments in developing the study.

12. Because of our reservations noted in Comments Nos. 9 and 10 above, namely that it is possible that the overall fiscal impact of implementation of the Citywide classification study could be negative, the Budget Analyst recommends that the requested funding of \$150,000 for the second phase contained in this overall \$300,000 request, to develop an overall framework and methodology for conducting the estimated \$1.7 million Citywide classification study, be placed on reserve until the results of the classification study to be funded by the first \$150,000 can be analyzed. The HRD should provide the Budget Committee with a report detailing the net savings or costs achieved by the first phase of the study, taking into account both changes in examination costs and changes to salaries and fringe benefits, and clearly stating which savings or costs are one-time versus ongoing. This information will permit the Board of Supervisors to make a more informed decision about the potential fiscal impact of proceeding with the full \$2 million Citywide classification study.

Ms. Anne Godfrey of the HRD states that the HRD will not be able to achieve the full anticipated savings of Phase 1 without the methodology for consolidating classifications

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that is to be developed as part of Phase 2. Nevertheless, the Budget Analyst still believes it would be beneficial for the Board of Supervisors to obtain the results from the Phase 1 study prior to proceeding with the Phase 2 study.

Recommendations:

1. Approve the \$150,000 portion of the proposed supplemental appropriation (Phase 1) to pay for reviewing specific position classifications, as mandated in four MOUs (MEA, MAA, Local 21 - Engineers and Local 21 - Accountants).
2. Reserve the remaining \$150,000 (Phase 2) to develop a methodology for conducting the remainder of the \$2 million Citywide classification study, until the HRD reports back to the Budget Committee on the fiscal impact of the results of the Phase 1 study, in order to provide the Board of Supervisors with information containing the actual results of the Phase 1 study, prior to undertaking a full, \$2 million Citywide classification study.

CITY AND COUNTY OF SAN FRANCISCO



LOUISE H. RENNE
City Attorney

OFFICE OF THE CITY ATTORNEY

DENNIS AFTERGUT
Chief Assistant City Attorney
DIRECT DIAL: (415) 554-4213

January 9, 1996

Hon. Tom Hsieh, Barbara Kaufman, Sue Bierman
San Francisco Board of Supervisors
Veterans' War Memorial Building
401 Van Ness Avenue, 3rd Floor
San Francisco, CA 94102

RE: File 101-95-39, Department of Human Resources/Civil Service Commission
Supplemental Appropriation Ordinance

Dear Supervisors Hsieh, Kaufman and Bierman:

As the City's lawyers, we write to support the Budget Analyst's recommendation that the Board approve \$150,000 of the \$300,000 supplemental budget request in connection with the above-numbered file. The \$150,000 would pay for four classification studies. The studies are mandated as part of Memoranda of Understanding ("MOU") reached last year between the City and four bargaining units: (1) The Municipal Executives Association; (2) the Municipal Attorney's Association; (3) Local 21 Accountants; and (4) Local 21 Engineers.

Given the City's obligation in the MOUs to conduct these four studies, we respectfully ask that the portion of the supplemental budget request intended to pay for these studies be approved.

We express no opinion as to the remaining \$150,000 of the supplemental request because that appropriation fulfills no legal obligation and is purely a matter of policy.

Very truly yours,

A handwritten signature in dark ink, appearing to read "D. Aftergut".

Dennis Aftergut
Chief Assistant City Attorney

A handwritten signature in dark ink, appearing to read "Jon Holtzman".

Jon Holtzman
Chief Labor Attorney

cc: Debra Newman, Budget Analyst
Thornton C. Bunch, MAA
David Novodgrotsky, Local 21
John Busher, MEA
Ted Lakey, Deputy City Attorney

City and County of San Francisco



Department of Human Resources

WENDELL L. PRYOR,
HUMAN RESOURCES DIRECTOR**MEMORANDUM**

DATE: January 18, 1996

TO: Harvey Rose, Budget Analyst
Board of Supervisors

FROM: Wendell L. Pryor, *[Signature]* Human Resources Director

RE: **Classification/Compensation Study Supplemental Appropriation:
Follow-up to the Budget Analyst Report**

This memorandum is in response to the pending request for supplemental appropriation to comply with contractual obligations previously identified and the policy directive of the Civil Service Commission to consolidate the number of existing classifications. At the Budget Committee hearing of January 9, 1996, the following questions were raised by members of the committee as a result of the hearing and the item which was continued for two (2) weeks:

- i. The relative cost savings or cost benefits from the supplemental
- ii. The utilization of city employees vs consultants to complete the study
- iii. Administration of the study by the Civil Service Commission or the Department of Human Resources

This memorandum will respond to each of the areas mentioned above.

i.) With regard to the cost benefit or justification for the study, please be advised that the Department of Human Resources utilized a Zero Based Budget Analysis to develop the fiscal year 95/96 proposed budget. As a result of the settlement of litigation, the department was required to implement an "Accelerated Testing Program (ATP)" which utilizes a broader certification rule which requires less extensive testing.

The estimated costs for the Accelerated Testing Program approach are roughly one-quarter of the cost for the more complete and traditional examination program testing. The full year costs for the Department of Human Resources recruitment and selection program including the Accelerated Testing Program and the additional fringe benefit and non personal services cost associated with the program are approximately \$1.5 million dollars. The Department of Human Resources established 238 eligible lists during fiscal year 94/95. Therefore the approximate cost per eligible list is \$6,175.00

The most recent report from the Department of Human Resources to the Civil Service Commission indicates there are approximately 1985 full time provisional employees.

The new City Charter passed by the voters in November 1995 will require the Board of Supervisors and the Mayor to terminate any provisional employee with more than three (3) years of service on July 1, 1998 unless otherwise specifically authorized. Phase I of the Classification/Compensation Study involves approximately 616 classifications that include over 700 provisional employees.

If the City desires to make all provisional employees permanent utilizing a combination of accelerated testing and traditional employment programs, the cost is projected to be \$3.8 million dollars. If the number of classes proposed for review in Phase I of the study is reduced by approximately half, there will be an estimated savings to the City of approximately \$1.9 million dollars. Further, if an accelerated testing program approach is utilized for the broader classes assumed to result from the study, the savings increase to approximately \$2.4 million dollars. Following implementation of the program, we will still realize an annual savings due to efficiencies and economies gained from the New Plan.

In addition to the estimated savings for examination costs, the City should also realize a savings in lower entry level salaries for certain classifications which, based upon estimates from both the Firefighter Contract and Deputy Sheriff's Contract, range from one-half million to a million dollars per year depending upon the particular class and number of employees hired during the period of time estimated.

ii.) On the question of using consultants versus internal employees, Department of Human Resources proposes a combination approach to capitalize on the best features of both resources:

- Internal staff know our system and our jobs and have a high degree of technical competence. However, most of their experience is on single class or single series studies.
- The consultants have worked with many jurisdictions on system-wide classification studies and can give us the benefit of their knowledge of what other organizations have done to update their classification plans and what has worked well for them. Their experience and expertise will provide us with important strategies for organizing across departments within major job categories.
- Reliance on City staff alone would not guarantee that the most effective job evaluation techniques currently available in the field are utilized. The City now uses a non-quantitative method of classification and hopes to adopt a quantitative method which will facilitate and streamline job analysis and position classification activities.
- It is not feasible or cost effective to develop and implement a point factor system in-house when effective and validated systems are available through the consultant.

Internal staff will, however, be actively involved in the project and work in collaboration with consultants to provide valuable knowledge of the complexities of departmental functions, staffing patterns and organizational needs. Additionally, benefits will be realized upon completion of the study as the continued maintenance of the plan will be expedited by staff who are knowledgeable and proficient in the new methodology. Finally, recruitment and selection activities for the newly defined classes will be conducted by internal staff who have participated in the classification study and may therefore expedite the exam development.

iii) The Department of Human Resources will provide direct technical and administrative oversight of the project, including management of the contract and the consultants' performance. The role of the Civil Service Commission would encompass policy direction and consultation.

Item 5 - File 101-96-1

Department: Recreation and Park Department

Item: Ordinance appropriating \$250,000 from the General Fund Reserve to a capital improvement project to allow the Recreation and Park Department to match funds for the architectural design work pertaining to a reconstruction of the Conservatory of Flowers for Fiscal Year 1995-96.

Amount: \$250,000

Source of Funds: General Fund Reserve

Description: The storm that occurred on December 11th and 12th, 1995 in San Francisco caused significant damage to the Conservatory of Flowers, and necessitated the closure of the Conservatory to the public. The Conservatory will not be reopened until a reconstruction can be completed, according to Mr. Phil Arnold of the Recreation and Park Department.

The funding for the design work related to a reconstruction of the Conservatory is the subject of this proposed supplemental appropriation. If this proposed supplemental appropriation in the amount of \$250,000 is approved and matching funds of \$250,000 are obtained by the Recreation and Park Department through private donations, the design work should be completed within one year, according to Mr. Arnold. Mr. Arnold reports that the timing of a reconstruction of the Conservatory depends upon the completion of the new design of the facility, the scope of the reconstruction as determined by the design work, and the ability to obtain funding for construction work. Therefore, Mr. Arnold is not able to estimate when the Conservatory is going to be reopened to the public.

During the December, 1995 storm, the southeast wall of the dome room of the Conservatory was essentially destroyed by the high winds and rain, in addition to four other major areas of damage in the dome area. Significant numbers of glass panes and wood moldings were destroyed by the wind and rain, some of which then dropped onto the wings of the Conservatory and the gift shop, breaking panes of glass in those areas. Some loose wood and glass has been removed from the dome and flexible plastic sheeting has been placed over the holes in the dome. All plants kept in the central dome room which could be moved have been relocated to other areas of the Conservatory.

The Conservatory of Flowers had sustained damage from previous storms in February and March, 1995. In considering repair options for the Conservatory after the February and March, 1995 storms, a Building Condition Assessment Report was completed by the consultant team of Joseph Chow & Associates, Olmm Structural Design, and O'Kelley & Schoenlank, for the Recreation and Park Department in August, 1995. The report found that the Conservatory:

- had significant structural deficiencies, resulting in seismic instability and posing a life safety risk in the case of an earthquake;
- was at risk for further loss and breakage of glass panes in high winds;
- does not sufficiently meet the handicap code; and
- has visible and significant deterioration of the wood structures and glass panes.

The Building Condition Assessment Report, completed prior to the damage sustained in the December, 1995 storm, noted that previous repair efforts performed in 1965, 1978 and 1982 were selective renovations that did not seismically strengthen or significantly repair the building. The report recommended a complete reconstruction of the existing facility, and noted that the use of aluminum and steel in the replacement structure would be more durable than the use of wood.

It should be noted, however, that the Conservatory of Flowers is on the United States Department of Interior's National Register of Historic Landmarks. As such, any proposed restoration or reconstruction plans for the Conservatory must meet the U.S. Department of the Interior's Standards for Historic Restoration.

Budget:

The Recreation and Park Department estimates that the cost of the architectural study and design work for a reconstruction of the facility is approximately \$500,000. Mr. Arnold reports that this \$500,000 estimate represents eight percent of the estimated \$6,237,623 cost of reconstruction as projected by the consultant team in the Building Condition Assessment Report (\$6,237,623 times 0.08 equals \$499,010).

According to Mr. Arnold, the Department intends to raise \$250,000 of this \$500,000 through a fund-raising campaign.

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The remaining half of the funds in the amount of \$250,000 is the subject of this appropriation request. Mr. Arnold believes it will be possible to raise the matching \$250,000 in donations, but states that if these funds are not raised, the Recreation and Park Department will reduce the scope of the reconstruction project and the related design work.

According to Mr. Arnold, the Bureau of Engineering has begun to prepare a Request for Qualifications for architectural firms specializing in restoration of this type of structure, for the design work for the reconstruction of the Conservatory. At this time, a contractor has not been selected for this project, and a detailed project budget is not available.

The only cost estimates available at this time were provided in the Building Condition Assessment Report. The consultants estimated the cost of a seismic retrofit and repair project ("Scheme 'A'") to be approximately \$5.3 million, while the estimated cost to reconstruct the facility in its entirety ("Scheme 'B'") was estimated at approximately \$6.2 million. The attachment from the Building Condition Assessment Report completed for the Recreation and Park Department, shows the Scheme "A" (seismic retrofit) and Scheme "B" (rebuild) cost estimates developed by the consultant team of Joseph Chow & Associates, Olmm Structural Design, and O'Kelley & Schoenlank. Both estimates were developed prior to the December, 1995 storm and do not include design costs, construction management costs or project contingencies.

Recent cost estimates provided by the Recreation and Park Department after the December, 1995 storm ranged from approximately \$8 million to \$12 million to reconstruct the Conservatory. According to Mr. Arnold, the \$8 million estimate is based on the \$6.2 million estimate from the consultant team, plus 30 percent for project oversight, planning, and construction management services by the Department of Public Works. According to Mr. Arnold, the Recreation and Park Department does not have any detailed written project cost estimates at this time.

Comments:

1. On January 2, 1996 the Governor issued a Proclamation of State of Emergency for the damage resulting from the December, 1995 storm. Under this Proclamation, the City is eligible to receive from the State approximately 75 percent of the following costs incurred as a result of the disaster:

- Local agency overtime costs and the costs of supplies used during eligible disaster response projects;

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- Assistance to repair, restore, reconstruct, or replace public real property or public facilities belonging to local agencies damaged as the result of the natural disaster;
- Indirect costs; and
- Direct costs of grant administration.

Although the State typically agrees to reimburse approximately 75 percent of eligible costs, this percentage is negotiated on a case-by-case basis. The remaining costs incurred by the locality must be paid for by the locality. According to Mr. Frank Schober of the Office of Emergency Services, under a State Proclamation of Emergency the State conducts site visits, reviews all claims, and negotiates with the municipality to determine which costs are eligible for reimbursement.

2. The State and Federal Governments previously declared a State of Emergency in San Francisco due to the damage from the February and March, 1995 rainstorms, and as a result, the cost of those repairs to the Conservatory were declared eligible for Federal Emergency Management Agency (FEMA) reimbursement. Ms. Elaine Molinari of the Recreation and Park Department reports that she accompanied FEMA on a site visit in November, 1995 to view the damage to the Conservatory from the February storms. According to Ms. Molinari, the Recreation and Park Department has not yet received completed Damage Survey Reports from FEMA.

According to Mr. Schober, the Governor will not request a Presidential Declaration of Major Disaster or Emergency for the December, 1995 storm. Mr. Schober reports that the Governor may request a Presidential Declaration of Major Disaster or Emergency if there is sufficient damage on a State-wide basis. Although the damage incurred in San Francisco as a result of the December, 1995 storm was much greater than the damage incurred as a result of storms in February and March, 1995, there was less damage to the State as a whole from the December, 1995 storm, and the Governor will not pursue a Presidential Declaration of Major Disaster or Emergency on those grounds, according to Mr. Schober.

3. The estimated \$8 to \$12 million cost for the reconstruction of the Conservatory may be partially reimbursed by State and Federal disaster assistance funds under the President's Declaration of Major Disaster or Emergency issued in March,

1995 and the Governor's Proclamation of State of Emergency issued in January, 1996. As previously noted, the City may be eligible for reimbursement for up to 75 percent or more of repair costs. Therefore, up to 75 percent, or \$6 to \$9 million of the estimated \$8 to \$12 million in costs to reconstruct the Conservatory, may be reimbursed to the City by the State and Federal governments. Therefore, the cost to the City of rebuilding the Conservatory may be significantly lower than the \$8 to \$12 million cost estimate.

However, since these initial cost estimates are preliminary in nature and are not based on detailed construction plans, and since these costs have not been reviewed by the State Office of Emergency Services or by the Federal Emergency Management Agency, the amount of costs eligible for State or Federal reimbursement for the reconstruction of the Conservatory, and the corresponding level of Federal and State reimbursement, are not known at this time.

4. According to Mr. John Madden of the Controller's Office, the General Fund Reserve has a balance of approximately \$10,000,000. Presently, in addition to this \$250,000 General Fund Reserve supplemental appropriation request, there is one additional General Fund Reserve supplemental appropriation request related to storm damage repairs (see Item 5, File 101-96-2 of this report to the Budget Committee) in the amount of \$542,800 from the Recreation and Park Department. All City Departments have been requested to submit supplemental appropriation requests for storm-related costs by January 25, 1996.

5. According to Mr. Arnold, it is the recommendation of the Recreation and Park Department that the Conservatory be reconstructed, and the proposed funding for the architectural design work, which is the subject of this appropriation, is a necessary first step toward reconstructing the Conservatory. Mr. Arnold reports that the actual scope of the reconstruction will be developed by the architectural firm selected, and must be in accordance with the U.S. Department of the Interior's Standards for Historic Restoration.

6. The Board of Supervisors has previously approved a resolution urging the Mayor to submit a supplemental appropriation to initiate emergency repairs on the Conservatory of Flowers (File 193-95-9).

Memo to Budget Committee
January 24, 1996

Recommendation: Amend the proposed ordinance, placing the \$250,000 on reserve pending the selection of a contractor, the MBE/WBE status of the contractor, and the submission of a detailed project budget.

Approve the proposed ordinance as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

CONSERVATORY OF FLOWERS

GOLDEN GATE PARK

COST ESTIMATES*

	<u>Scheme "A"</u>	<u>Scheme "B"</u>
<u>Joseph Chow & Associates, Inc.</u>		
Handicap accessible upgrades (see Joseph Chow & Associates, Inc. Conservatory accessibility report dated July 28, 1995):	\$ 69,100	\$ 169,000
interior painting:	\$ 180,000	\$ 210,000
misc. benches, planter boxes, etc.:	\$ 150,000	\$ 250,000
 <u>Olmm Structural Design:</u>		
A) Selective replacement of structural members and seismic strengthening of the facility (see Olmm Conservatory report dated July 13, 1995):	\$ 4,024,398	
B) Complete rebuilding of the facility using more durable and permanent structural members (see Olmm Conservatory report dated July 13, 1995):		\$ 4,618,020
 <u>O'Kelly & Schoenlank Consulting Engineers:</u>		
Electrical system: including new service, switchgear, panels and branch circuit wiring to replace existing (see O'Kelly & Schoenlank Conservatory report dated July 15, 1995):	\$ 27,000	\$ 27,000
Mechanical system: expansion of heating system based on major structural renovation, estimated (see O'Kelly & Schoenlank Conservatory report dated July 15, 1995):	\$ 150,000	\$ 150,000
Fire protection system: This facility falls under the occupancy of Group M, Division 3. For a one story building, it does not require an automatic fire sprinkler system:	\$ 0	\$ 0
Sub-Total:	\$ 4,600,498	\$ 5,424,020
Contingency (15%):	\$ 690,074	\$ 813,603
TOTALS:	\$ 5,290,572	\$ 6,237,623

* all costs are approximated

Item 6 - File 101-96-2

Department: Recreation and Park Department

Item: Ordinance appropriating \$542,800 from the General Fund Reserve for other current expenses, materials and supplies and overtime for storm damage repair at the Recreation and Park Department for Fiscal Year 1995-96.

Amount: \$542,800

Source of Funds: General Fund Reserve

Description: The storm that occurred on December 11th and 12th, 1995 in San Francisco caused significant damage to Recreation and Park Department facilities, including Golden Gate Park and the Neighborhood Parks, City golf courses, and 3COM Park. Over 700 trees were either partially or completely blown down, many of which landed on roofs, fences, roadways, power lines, or Recreation and Park facility structures.

Work required to repair the damage caused by the December, 1995 storm includes removal and disposal of fallen trees and tree limbs in Golden Gate Park and the Neighborhood Parks, clean-up of broken glass and wood and temporary patching at the Conservatory of Flowers, and other repairs to park fences, roofs, plumbing and electrical systems. At 3COM Park, repairs include fixing a damaged scoreboard, light towers, antennas, and dugouts, removal of debris, pumping out flooded water, and other clean-up tasks.

Budget: The Recreation and Park Department provided an initial estimate of the cost of storm damage repairs of \$542,800, broken down as follows:

Park Facilities:

Overtime	\$ 65,600	
Contractual Services	284,600	
Material and Supplies	<u>47,900</u>	
Subtotal, Park Facilities		\$398,100

3COM Park

Overtime	\$ 4,000	
Contractual Services	94,500	
Material and Supplies	<u>46,200</u>	
Subtotal, 3COM Park		\$144,700

Total, Recreation and Park Department		<u>\$542,800</u>
---------------------------------------	--	------------------

The Attachment shows the Recreation and Park Department's original repair cost estimate of \$542,800 in greater detail. However, the figure for Other Current Expenses - Contractual Services should be \$269,000 instead of the listed \$284,600 figure, which would result in a reduction of \$15,600.

Mr. Phil Arnold of the Recreation and Park Department reports that repairs to 3COM Park have already been completed. Under an emergency declaration issued by the Recreation and Park Department on December 15, 1995, the Recreation and Park Department entered into repair contracts without issuing competitive bids for the repair work at 3COM Park. Similarly, a contract with the San Francisco Conservation Corps was awarded on a non-competitive basis for debris cleanup work, under emergency declarations issued by the Recreation and Park Department on December 13 and 14, 1995. Therefore, this proposed ordinance should be amended to provide for ratification of actions previously taken.

Mr. Arnold reports that contractors have not yet been selected for the following items shown below: tree removal, roof repair, asphalt/curb repair, fence repair, plumbing repairs, electrical repairs, and debris chipping. In addition, the stadium tarps for 3COM Park have not yet been purchased. Mr. Arnold also states that the cost of repairs to the 3COM Park scoreboard, estimated at \$32,000, and the cost of repairs to 3COM Park portable toilets, estimated at \$21,000, will be covered under warranty by equipment vendors, and will not be incurred by the City. Therefore, Other Current Expenses - Contractual Services - 3COM Park should be reduced by \$53,000 to reflect the elimination of these repair projects.

The table on the following page shows the amount originally requested by the Recreation and Park Department, and the recommended reductions totalling \$68,600 noted above. In addition, recommended reserves totalling \$236,000 are shown for those projects where contracts have not yet been awarded. The table also shows the status of each project.

Memo to Budget Committee
January 24, 1996

	Amount Requested	Amount Required	Recommended Reductions by Budget Analyst	Recommended Reserves by Budget Analyst	Status
<i>Overtime</i>					
Overtime - Parks	\$65,600	\$65,600	\$ 0	\$ 0	completed
Overtime - 3COM Park	<u>4,000</u>	<u>4,000</u>	<u>0</u>	<u>0</u>	completed
	\$69,600	\$69,600	\$ 0	\$ 0	
<i>Other Current Expenses - Contractual Services</i>					
Debris cleanup	\$23,000	\$23,000	\$ 0	\$ 0	in progress
Tree removal	25,000	25,000	0	25,000	not awarded
Roof repair	71,000	71,000	0	71,000	not awarded
Asphalt/curb repair	37,000	37,000	0	37,000	not awarded
Fence repair	25,000	25,000	0	25,000	not awarded
Conservatory patching	10,000	10,000	0	0	completed
Plumbing repairs	31,000	31,000	0	31,000	not awarded
Electrical repairs	22,000	22,000	0	22,000	not awarded
Debris chipping	<u>25,000</u>	<u>25,000</u>	<u>0</u>	<u>25,000</u>	not awarded
	\$284,600*	\$269,000	(\$15,600)	\$236,000	
<i>Other Current Expenses - Contractual Services - 3COM</i>					
Scoreboard repair	\$32,000	\$ 0	(\$32,000)	\$ 0	n/a
Stadium light towers	6,000	6,000	0	0	completed
Stadium antennas	5,500	5,500	0	0	completed
Baseball dugout	10,000	10,000	0	0	completed
Pumping - parking lot	7,000	7,000	0	0	completed
Stadium cleaning	5,000	5,000	0	0	completed
Stadium debris removal	8,000	8,000	0	0	completed
Stadium portable toilet damage	<u>21,000</u>	<u>0</u>	<u>(21,000)</u>	<u>0</u>	n/a
	\$94,500	\$41,500	(\$53,000)	\$ 0	
<i>Other Materials & Supplies</i>					
Chainsaws & supplies	\$29,500	\$29,500	\$ 0	\$ 0	in progress
Safety supplies	<u>18,400</u>	<u>18,400</u>	<u>0</u>	<u>0</u>	in progress
	\$47,900	\$47,900	\$ 0	\$ 0	
<i>Other Materials & Supplies - 3COM</i>					
Stadium tarps	\$25,000	\$25,000	\$ 0	\$ 0	not purchased
Suite damage	8,000	8,000	0	0	completed
Fencing	2,000	2,000	0	0	completed
Parking lot signage	4,000	4,000	0	0	completed
Pads and ramps	5,700	5,700	0	0	completed
Water extractor	<u>1,500</u>	<u>1,500</u>	<u>0</u>	<u>0</u>	completed
	\$46,200	\$46,200	\$ 0	\$ 0	
	<u>\$542,800</u>	<u>\$474,200</u>	<u>(\$68,600)</u>	<u>\$236,000</u>	

* Note: this subtotal is incorrect.

**BOARD OF SUPERVISORS
BUDGET ANALYST**

Comments:

1. As shown in the table above, the total amount of the supplemental appropriation should be reduced by \$68,600, from \$542,800 to \$474,200 to reflect the correction of the total figure for contractual services from \$284,600 to \$269,000 (a reduction of \$15,600), and the elimination of \$53,000 in contractual services for 3COM Park (the stadium scoreboard repair, estimated at \$32,000, and the stadium portable toilet repair, estimated at \$21,000, both of which will be completed under warranty by the vendor).

2. On January 2, 1996 the Governor issued a Proclamation of State of Emergency for the damage resulting from the December, 1995 storm. Under this Proclamation, the City is eligible to receive from the State approximately 75 percent of the following costs incurred as a result of the disaster:

- Local agency overtime costs and the costs of supplies used during eligible disaster response projects;
- Assistance to repair, restore, reconstruct, or replace public real property or public facilities belonging to local agencies damaged as the result of the natural disaster;
- Indirect costs; and
- Direct costs of grant administration.

Although the State typically agrees to reimburse approximately 75 percent of eligible costs, this percentage is negotiated on a case-by-case basis. The remaining costs incurred by the locality must be paid for by the locality. According to Mr. Frank Schober of the Office of Emergency Services, under a State Proclamation of Emergency the State conducts site visits, reviews all claims, and negotiates with the municipality to determine which costs are eligible for reimbursement.

According to Mr. Arnold, all of the estimated \$474,200 in damage repair costs included in this supplemental appropriation should be eligible for reimbursement according to the guidelines shown above.

3. According to Mr. John Madden of the Controller's Office, the General Fund Reserve has a balance of approximately \$10,000,000. Presently, in addition to this \$542,800 General Fund Reserve supplemental appropriation request, there is one additional General Fund Reserve supplemental appropriation request related to storm damage repairs (see

Item 4, File 101-96-1 of this report to the Budget Committee) in the amount of \$250,000 from the Recreation and Park Department. All City Departments have been requested to submit supplemental appropriation requests for storm-related costs by January 25, 1996.

4. It should be noted that the Recreation and Park Department has not yet received invoices for the majority of contract and materials costs already incurred, according to Mr. Arnold. Therefore, the Recreation and Park Department should report actual cost figures for all expenditures included in this supplemental appropriation to the Budget Committee when these figures become available.

Recommendations: 1. Amend the proposed ordinance, reducing the amount of the supplemental appropriation by \$68,600, from \$542,800 to \$474,200, and placing \$236,000 on reserve pending the selection of contractors, the MBE/WBE status of the contractors, and the submission of contract cost details. The proposed ordinance should be amended in accordance with the table below:

<u>Item</u>	<u>Amount Requested</u>	<u>Amount Required</u>	<u>Recommend. Reductions by Budget Analyst</u>	<u>Recommend. Reserves by Budget Analyst</u>
Overtime	\$65,600	\$65,600		\$ 0
Other Current Expenses	284,600	269,000	(\$15,600)	236,000
Other Materials & Supplies	47,900	47,900		0
Overtime - 3COM	4,000	4,000		0
Other Current Expenses -3COM	94,500	41,500	(53,000)	0
Other Materials & Supplies - 3COM	46,200	46,200		0
Total	<u>\$542,800</u>	<u>\$474,200</u>	<u>(\$68,600)</u>	<u>\$236,000</u>

2. Amend the proposed ordinance to provide for ratification of actions previously taken.

3. Approve the proposed ordinance as amended.

4. As noted in Comment #4 above, the Budget Committee should request that the Recreation and Park Department report actual cost figures for all expenditures included in this supplemental appropriation to the Budget Committee when these figures become available.

Storm Damage Repair EstimatesRecreation and Park Department

✓ Personal Services (Overtime) \$69,600

Contractual Services

Debris cleanup (S.F. Conservation Corps) - \$23,000

Tree removal (various contracts) - \$25,000

Roof repair - \$71,000

Asphalt and curb repair - \$37,000

Fence repair - \$25,000

Conservatory of Flowers - patch material - \$10,000

Plumbing repairs - \$31,000

Electrical repairs - \$22,000

Debris chipping - \$25,000

Sub-total, contractual services - \$284,600

Contractual Services - 3COM Park

Scoreboard repair - \$32,000

Stadium light towers - \$6,000

Stadium antennas - \$5,500

Baseball dugout - \$10,000

Pumping - stadium parking lot - \$7,000

Stadium - cleaning - \$5,000

Stadium - debris removal - \$8,000

Stadium - portable toilet damage - \$21,000

Sub-total, 3COM contractual services - \$94,500

Materials and Supplies

Chainsaws and related supplies - \$29,500

Safety supplies - \$18,400

Sub-total, materials and supplies - \$47,900

Stadium materials and supplies

Stadium tarps - \$25,000

Suite damage - \$8,000

Stadium fencing - \$2,000

Stadium parking lot signage - \$4,000

Stadium pads and ramps - \$5,700

Water extractor - stadium - \$1,500

Sub-total - materials and supplies - \$46,200

Total Supplemental Appropriation Request for Storm Damage Repair - \$542,800

Memo to Budget Committee
January 24, 1996 Budget Committee Meeting

Item 7 - File 101-96-3

Department: Mayor's Office

Item: Supplemental appropriation of \$142,937 from the General Fund Reserve for salaries and fringe benefits for the Mayor's Office for FY 1995-96 and placing \$142,937 on reserve.

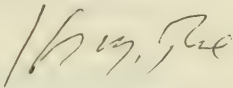
Amount: \$142,937

Source of Funds: General Fund Reserve

Description: The proposed supplemental appropriation would be used to pay off vested vacation and sick leave benefit costs for the Mayor's staff who are laid off as a result of the recent change in administration.

Comment: Mr. Yockey has requested that this item be continued to the Call of the Chair.

Recommendation: Continue this item to the Call of the Chair as requested by the Mayor's Office.


Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Supervisor Teng
Clerk of the Board
Chief Administrative Officer
Controller
Sam Yockey
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

MINUTES

REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JANUARY 31, 1996 - 1:00 P.M. VETERANS BUILDING
401 VAN NESS AVENUE
ROOM 410

MEMBERS: SUPERVISORS TOM HSIEH, BARBARA KAUFMAN, SUE BIERMAN

CLERK: GREGOIRE HOBSON

DOCUMENTS DEPT.

TIME MEETING CONVENED: 1:12 P.M.

AUG 27 1996

SAN FRANCISCO
PUBLIC LIBRARY

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Budget Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item:
 - a) File 28-96-2. [Emergency Repair, Agricultural Building Skylight] Resolution approving a declaration of emergency for replacement of the deteriorated skylight of the Agriculture Building, Embarcadero and Mission Street, under the control of the Port of San Francisco. (Port Commission)
 - b) File 101-92-60.11. [Reserved Funds, Fire Department] Consideration of release of reserved funds, Fire Department (1992 Proposition C Bond Issue Fund), in the amount of \$249,815 for the purpose of funding construction contract for SFFD Fire Station No. 26. (Department of Public Works)

SPEAKERS: None.

ACTION: CONSENT CALENDAR APPROVED. File 28-96-2 -
RECOMMENDED. File 101-92-60.11 - RELEASE OF \$249,815
APPROVED. FILED.

VOTE: 2-1 (Supervisor Hsieh absent.)

REGULAR CALENDAR
GENERAL ITEMS

2. File 127-96-1. [Temporary Stadium Admissions Tax] Ordinance amending the San Francisco Municipal Code, Part III, Section 802A to provide that the Temporary Admission Tax may be remitted monthly or annually.

(Consideration Continued from 01/17/96)

SPEAKERS: None.

ACTION: CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR AT THE REQUEST OF THE CONTROLLER.

VOTE: 2-1. (Supervisor Hsieh absent.)

HEARING

3. File 100-95-12. [Joint Report of Controller and Budget Analyst] Hearing to consider the joint report of the Controller and Budget Analyst, estimating the long-term budget impacts federal cuts will have on San Francisco's budget over the next seven (7) to nine (9) years. (Supervisor Hsieh)

(Consideration Continued from 1/24/96)

SPEAKERS: None.

ACTION: CONSIDERATION CONTINUED TO THE FEBRUARY 7, 1996, MEETING.

VOTE: 2-1. (Supervisor Hsieh absent.)

TIME MEETING ADJOURNED: 1:15 P.M.

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS**BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642

FAX (415) 252-0461

January 26, 1996

TO: Budget Committee

DOCUMENTS DEPT

FROM: Budget Analyst *Recommendations for meeting of...*

JAN 30 1996

SUBJECT: January 31, 1996 Budget Committee MeetingSAN FRANCISCO
PUBLIC LIBRARYItem 1a - File 28-96-2**Department:** Port**Item:** Resolution approving a declaration of emergency for the replacement of the deteriorated skylights of the Agriculture Building located at Embarcadero and Mission Streets.

Amount:	Construction Contract	\$232,200
	Contingency	25,000
	Asbestos Abatement Contract	<u>7,800</u>
	Total	\$265,000

Source of Funds: Port Operating Fund

Description: The Agriculture Building, a Port-owned building, which is located at Embarcadero and Mission Streets, is used for Port and tenant office space. The Port advises that an inspection of the Agriculture Building, which took place in mid-September of 1995, determined that the framing that supports the two roof skylights had rusted and was no longer providing adequate support for the skylights. According to the Port, the damaged skylights posed a safety hazard to the tenants of the building and it was necessary to take

Memo to Budget Committee
January 31, 1996 Budget Committee Meeting

immediate action to replace the skylights before the start of the rainy season.

Mr. Cliff Jarrard of the Port reports that, in accordance with Section 6.30 of the Administrative Code, the Port initiated expedited contract procedures in early October of 1995 and a construction contract to replace the damaged skylights was awarded on October 18, 1995 to Hok Construction, as the lowest responsible bidder, based on a bid amount of \$232,200. Hok Construction is an MBE firm. Additionally, a contract for asbestos consultation services was awarded on October 3, 1995 to RGA Environmental, Inc., in the amount of \$7,800. Mr. Jarrard states that RGA Environmental was selected because it has an on-going contract with the Department of Public Works to provide as-needed asbestos consultation services. RGA Environmental is not an MBE or a WBE firm. On November 14, 1995, the Port Commission declared the project an emergency (see Attachment). The reason that the Port Commission declared the emergency subsequent to the contracts being awarded was because the November 14, 1995 meeting date was the first available meeting date of the Port Commission, according to Mr. Jarrard.

Mr. Jarrard advises that the construction work commenced on October 31, 1995 and was substantially completed on December 20, 1995. The construction work consisted of demolishing the skylights and replacing them with roofing, and asbestos abatement. According to Mr. Jarrard, the asbestos consultation began on October 4, 1995 and was completed on December 1, 1995. The asbestos consultation consisted of writing asbestos and lead abatement specifications to be used by the construction contractor and providing oversight of the construction contractor to ensure that the various regulatory requirements with respect to the asbestos abatement were met. The asbestos abatement was required in conjunction with the skylight work because the demolition of the skylights disturbed the asbestos in the immediate area of the skylights.

Comment:

The firms which submitted bids for the construction work and the amounts bid were as follows:

<u>Contractor</u>	<u>Amount Bid</u>
MH Construction (MBE)	\$170,682
Hok Construction (MBE)	\$232,200
Seto's Construction (MBE)	\$238,000
Chiang Construction, Inc. (MBE)	\$238,980

Memo to Budget Committee
January 31, 1996 Budget Committee Meeting

According to Mr. Jarrard, MH Construction, the lowest bidder, was allowed to withdraw its bid because the firm had made an error in its bid calculation, resulting in a bid amount that would not have covered the firm's costs to perform the necessary work. As such, Hok Construction became the lowest responsible bidder.

Recommendation: Approve the proposed resolution.

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 95-88

WHEREAS, the condition of the framing which supports the skylights at the Agricultural Building revealed that the framing had rusted away and could not be considered reliable to support the skylights; and

WHEREAS, the skylight condition posed a safety hazard and framing had to be replaced before the rainy season; and

WHEREAS, the magnitude of the scope of repair was beyond the Port maintenance staff resources to repair and could only be accomplished in the necessary time frame with an emergency contract for construction repair and another for asbestos abatement professional services oversight; and

WHEREAS, staff proceeded with the emergency work, selecting the construction contractor on a competitive bidding basis; and

WHEREAS, because the Agricultural Building plans are very old, these plans do not always match what the contractor is encountering on the job; and

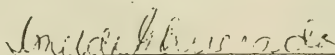
WHEREAS, because of these discrepancies, the contractor will have to perform additional work and it is expected that there will be contract modifications; and

WHEREAS funds for these emergency contracts are available in the Port's Operating Budget; now therefore be it

RESOLVED, that the San Francisco Port Commission hereby ratifies the action of the President of the Commission contained in the letter to the Controller dated October 11, 1995; and be it further

RESOLVED, that for repair of the Agricultural Building skylight, the San Francisco Port Commission hereby retroactively authorizes staff to issue emergency contracts for construction repair to Hok Construction a certified MBE for \$232,200 and for asbestos abatement professional services oversight to RGA Environmental, Inc. for \$7,800; authorizes \$25,000 in contingency funds for possible construction contract modifications; and further authorizes the Executive Director to accept the work upon final completion of the construction contract.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of November 14, 1995.



Secretary

Item 1b - File 101-92-60.11

Department: Department of Public Works
Fire Department

Item: Hearing to consider release of reserved funds, 1992 Fire Protection Bond Funds, in the amount of \$249,815, for the purpose of funding a construction contract for Fire Station No. 26.

Amount: \$249,815

Source of Funds: 1992 Fire Protection Bond Funds, Series 1993D

Description: In November of 1992, the voters approved Proposition C, authorizing the issuance of Fire Protection Bonds Series 1993D. A total of \$40.8 million in these General Obligation bonds were approved to finance improvement costs related to various Fire Department facilities.

In May of 1993, the Board of Supervisors approved an appropriation request of \$15,204,533, from the Series 1993D Fire Protection Bond funds, for various projects at Fire Stations throughout the City including seismic strengthening, disabled access improvements, and the construction of separate restroom facilities for male and female Firefighters. At the same time, the Board placed \$10,788,125 on reserve for Fire Station improvements, pending the selection of contractors, the MBE/WBE status of the contractors and contract cost details.

The proposed release of reserved funds, in the amount of \$249,815, would be used to pay for the construction contract and related costs, including management and inspection costs, for work to mitigate settlement of the foundation at Fire Station No. 26, located at 80 Digby Street. The scope of work for this project includes installation of temporary fencing, installation of concrete caissons to stabilize the existing foundation, and epoxy flooring.

The Department of Public Works (DPW), has conducted a competitive bidding process for this contract and has selected Pacific Construction, Inc., as the lowest responsible bidder, based on a bid amount of \$203,680. Pacific Construction, Inc. is an MBE firm.

Budget: The total estimated project construction cost of \$249,815 for the renovation of Fire Station No. 26 is detailed below:

BOARD OF SUPERVISORS
BUDGET ANALYST

<u>Construction Contract</u>	\$203,680
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Department of Public Works Staff

Bureau of Architecture	
Clerical (71 hours @ \$42/hr.)	3,000
Bureau of Construction Management	
Clerical (36 hrs. @\$55/hr.)	2,000
6331 Inspector (214 hrs. @\$75/hr.)	16,000
5212 Supervisor (46 hrs. @\$90/hr.)	<u>4,135</u>
Sub-total	25,135

<u>Construction Contingency</u>	<u>21,000</u>
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Total	\$249,815
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Comment: The Attachment, provided by the DPW, shows the bidders, bid amounts, and MBE/WBE status of all bidders for the Fire Station No. 26 contract.

Recommendation: Approve the proposed release of reserved funds as requested.

TABULATION OF BIDS

SPECIFICATION#:

5472A

TITLE:

Fire Station #26
Settlement Mitigation
80 Digby Street

BIDS RECEIVED:

November 15, 1995

BIDDERS:

Pacific Construction
A. Ruiz Construction Co. & Assoc., Inc.
G. P. Rivera Construction
Sato's Construction
CICOR & W JV
Malcolm Drilling Co., Inc.
M.H. Construction
Miller/Thompson Constructors Inc.

MBE/LBE	Base Bid
MBE/LBE	203,680
MBE/LBE	230,214
MBE/LBE	243,800
MBE/LBE	248,000
MBE/LBE/V10%	248,632
No Prof	264,400
MBE/LBE	266,500
MBE/LBE	319,910

Average Bid: 253,142
Architect's Estimate: 216,588
% Architects Estimate: 117%

APPARENT LOW BIDDER:

Pacific Construction
928-A VAN NESS AVENUE
San Francisco, CA 94109

Tel: (415) 567-8847

SUBCONTRACTORS:

John Jenkin	Trucking	8,300
K P Lem	Concrete/Epoxy	39,600
Cence Landscape	Landscape	5,500
City Builder	Building Material	13,731

cc:

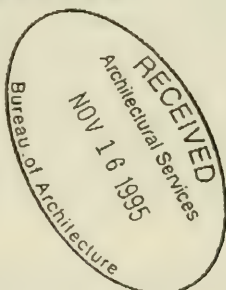
Peter Wong
John Chibbs
Todd Cockburn

Gary Johnson
Mark Pirmeau
Joe Chéung

Norm Karasick
Minda Tan
Mary Starkweather

Maurice Williams
Controller

SL:sj
15-Nov-95



Item 2 - File 127-96-1

Note: This item was continued by the Budget Committee at its meeting of January 17, 1996.

Item: Ordinance amending the San Francisco Municipal Code, Part III, Section 802A to provide that the Temporary Admission Tax may be remitted monthly or annually.

Description: A one-year Temporary Stadium Admission Tax was adopted in 1991 to finance high school and middle school athletics. The Temporary Stadium Admission Tax has been extended by the Board of Supervisors through the year 2000 baseball and football seasons (File 127-95-11). The Surtax applies to stadiums with more than 5,000 seats. Mr. Louis Lui of the Tax Collector's Office states that there is only one such facility in San Francisco: 3Com Park. (Ms. Garnett Franklin of the Recreation and Park Department (RPD) advises that, while Kezar Stadium has 9,700 seats, Recreation and Park Commission policy limits ticket sales to a maximum of 5,000 because inadequate parking is available.)

The Temporary Stadium Admission Tax includes a surtax of \$0.25 on all tickets priced at less than \$27, and a surtax of \$0.75 on all tickets priced at \$27 or more. This results in a surtax of \$0.25 on most Giants tickets (with the exception of a surtax of \$0.75 on approximately 275 tickets per game which are sold at \$40 per ticket) and a \$0.75 surtax on all 49er tickets. This surtax is paid by ticket buyers to the baseball or football club, which in turn remits it to the City. Although most of the Surtax revenues are generated from Giants and 49ers games, all events held at 3Com Park are subject to the Surtax, unless they are sponsored by a nonprofit or public agency such as a school or charity.

Article II, Section 802A of the Municipal Code currently states that the Temporary Stadium Admission Tax for tickets to professional games is to be paid according to the provisions of Subsections 804(a) and (b). Subsections 804(a) and (b) provide that the taxes due shall be paid on a monthly basis. The only exception to this rule is for payment of any tax over \$0.50 per ticket collected pursuant to Section 802, which can be paid either monthly or annually at the option of the baseball or football club. Section 802 of the Municipal Code pertains to the Stadium Operator Admission Tax, a separate, permanent tax of \$1.50 on tickets sold at 3Com Park that are priced at \$25.02 or more.

Presently the Temporary Stadium Admission Taxes collected by the Giants and the 49ers are remitted monthly to the City.

BOARD OF SUPERVISORS
BUDGET ANALYST

The proposed amendment to the Municipal Code would authorize the Giants and the 49ers to remit to the City the Temporary Stadium Admission Taxes either monthly or annually.

Section 804 provides the annual payment option only for \$1.00 of the \$1.50 permanent Stadium Operator Admission Tax that is established in Section 802, and not for the Temporary Stadium Admission Tax that is established in Section 802(a) of the Municipal Code to fund high school and middle school athletics. Under the existing provisions of the Municipal Code the Temporary Stadium Admission Taxes must be remitted by the Giants and the 49ers to the City on a monthly basis.

The proposed amendment to Section 802(a) would eliminate any reference to Section 804 in Section 802(a), and instead state that the Temporary Stadium Admission Taxes shall be remitted to the City either monthly or annually at the option of the operator of the professional baseball or football club. If the Giants or the 49ers opt to remit the Temporary Stadium Operator Admission Taxes annually to the City, payment would be due by February 1 of each year for games played during the previous 12 months.

Comments:

1. The Board of Supervisors previously approved an ordinance amending Section 804 of the Municipal Code to permit annual payment of \$1.00 of the \$1.50 permanent Stadium Operator Admission Tax (File 127-94-2). The remaining \$0.50 of the Stadium Operator Admission Tax must still be paid on a monthly basis. That provision would not be affected by the proposed ordinance, which pertains only to the Temporary Stadium Admission Taxes.
2. Based on a total collection of \$833,510 in 1995 Temporary Stadium Admission Taxes, as provided by Mr. Jack Yee of the Tax Collector's Office, and based on the current interest rate of approximately 6 percent earned by the Treasurer, the Budget Analyst estimates that approval of the proposed amendment to the Municipal Code would result in estimated reduced interest income to the City of approximately \$26,812 annually if both the Giants and the 49ers opt to remit the Temporary Stadium Admission Taxes to the City annually, instead of monthly. (The amount of reduced interest income to the City will vary depending upon ticket sales to Giants and 49ers games in a particular season.)
3. City Controller Mr. Ed Harrington requests that the proposed ordinance be continued to the call of the Chair, to provide the Controller with an opportunity to determine the

Memo to Budget Committee
January 31, 1996 Meeting of Budget Committee

appropriate timing for payments of the Temporary Stadium Admission Tax by the 49ers and the Giants .

Recommendation: Continue to the call of the Chair, as requested by the Controller's Office.

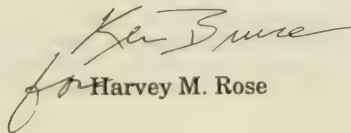
Memo to Budget Committee
January 31, 1996

Item 3 - File 100-95-12

Note: This item was continued by the Budget Committee at its meeting of January 24, 1996.

This item is a hearing concerning the long-term budget impacts that Federal budgetary reductions will have on the budget of the City and County of San Francisco over the next seven to nine years.

The Controller and the Budget Analyst will orally advise the Committee on any updated information obtained regarding the impacts which pending Federal budgetary reductions will have on San Francisco.


for Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Supervisor Teng
Clerk of the Board
Chief Administrative Officer
Controller
Sam Yockey
Ted Lakey

SF
3/1/97
#2
2/7/96

MINUTES

REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, FEBRUARY 7, 1996 - 1:00 P.M. VETERANS BUILDING
401 VAN NESS AVENUE
ROOM 410

MEMBERS: SUPERVISORS TOM HSIEH, BARBARA KAUFMAN, SUE BIERMAN

CLERK: GREGOIRE HOBSON

DOCUMENTS DEPT

TIME MEETING CONVENED: 1:16 P.M.

AUG 27 1996

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HEARING

1. File 100-95-12. [Joint Report of Controller and Budget Analyst] Hearing to consider the joint report of the Controller and Budget Analyst, estimating the long-term budget impacts federal cuts will have on San Francisco's budget over the next seven (7) to nine (9) years. (Supervisor Hsieh)

(Consideration Continued from 1/31/96)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Ed Harrington,
Controller. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO FEBRUARY
14, 1995, MEETING.

VOTE: 2-1. (Supervisor Kaufman absent.)

GENERAL ITEMS

2. File 220-96-1. [Redevelopment Survey Area, Lower Broadway] Resolution designating and describing a Redevelopment Survey Area within the City and County of San Francisco pursuant to the California Community Redevelopment Law encompassing the three parcels of land and adjacent public rights-of-way along lower Broadway formerly encumbered by the Embarcadero Freeway (Assessor's Block-Lot numbers 150-8, 141-11 and 165-21). (Supervisors Teng, Bierman, Shelley, Alioto)

SPEAKERS: None.

ACTION: CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR AT
THE REQUEST OF THE SPONSOR.

VOTE: 2-1. (Supervisor Kaufman absent.)

3. File 84-96-1. [Acquisition of Real Property] Resolution authorizing the City and County of San Francisco to acquire, on behalf of the Department of Public Works, a temporary construction easement through a portion of the real property identified as Assessor's Parcel No. 4349/15 and to adopt findings pursuant to City Planning Code Section 101.1. (Real Estate Department)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 2-1. (Supervisor Kaufman absent.)

FISCAL ITEMS

4. File 101-95-43. [Appropriating, Mayor's Office] Ordinance appropriating \$142,937 from the General Fund Reserve for salaries and fringe benefits for the Mayor's Office for fiscal year 1995-96; placing \$142,937 on reserve. (Estimate of vested vacation and fringes.) (Controller) RO #95122

(Consideration Continued from 1/24/96)

SPEAKERS: None.

ACTION: CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR AT THE REQUEST OF THE MAYOR'S OFFICE.

VOTE: 2-1. (Supervisor Kaufman absent.)

5. File 101-95-45. [Appropriation, Fire Department] Ordinance appropriating \$1,600,000, Fire Department, of 1992 Fire Protection Bond interest earnings, for a capital improvement project (design and architectural projects for various Fire Stations), for fiscal year 1995-96. (Controller) RO #95117

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: CONSIDERATION CONTINUED TO THE FEBRUARY 14, 1995, AT THE REQUEST OF THE FIRE DEPARTMENT.

VOTE: 2-1. (Supervisor Kaufman absent.)

6. File 101-95-46. [Appropriation, Department of City Planning] Ordinance appropriating \$109,745, Department of City Planning, of Planning Fee revenue, to salaries and mandatory fringe benefits to reduce salary savings for fiscal year 1995-96. (Controller) RO #95133

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Lu Blazej, Director of Planning, City Planning Department; Milton Edelin, Deputy Director, City Planning Department; Alec Bash, City Planning Department. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Reduce appropriation to \$101,874. AMENDED TITLE: "Ordinance appropriating \$101,874, Department of City Planning, of Planning Fee revenue, to salaries and mandatory fringe benefits to reduce salary savings for fiscal year 1995-96."

VOTE: 2-1. (Supervisor Kaufman absent.)

7. File 101-95-47. [Appropriation, Chief Administrative Officer] Ordinance appropriating \$50,000, Chief Administrative Officer, from the General Fund Reserve to professional services to provide funding for negotiations with Viacom/TCI for fiscal year 1995-96; placing \$28,500 on reserve. (Controller) RO #95134

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Steve Nelson, Chief of Staff, Office of the Chief Administrative Officer. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Amend lines 2 and 15 by replacing "\$28,500" with "\$10,500". Add a Section 3 to read: "Although the City has incurred no legal obligation under the Charter, the Board of Supervisors does hereby appropriate the funds necessary for the obligation and does hereby ratify the action previously taken." AMENDED TITLE: "Ordinance appropriating \$50,000, Chief Administrative Officer, from the General Fund Reserve to professional services to provide funding for negotiations with Viacom/TCI for fiscal year 1995-96; placing \$10,500 on reserve. Providing for ratification of action previously taken."

VOTE: 2-1. (Supervisor Kaufman absent.)

8. File 101-95-48. [Appropriation, Art Commission] Ordinance appropriating \$201,348, Art Commission, \$200,000 from the Reserve for Cultural Centers and \$1,348 from the General Fund Reserve, for various facilities maintenance improvements for fiscal year 1995-96. (Controller) RO #95138

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Place \$197,448 on reserve. \$50,521 for the Center for African American Art and Culture; \$49,815 for the Mission Cultural Center; \$50,485 for the Bayview Opera House and \$46,627 for the South of Market Cultural Center. AMENDED TITLE: "Ordinance appropriating \$201,348, Art Commission, \$200,000 from the Reserve for Cultural Centers and \$1,348 from the General Fund Reserve, for various facilities maintenance improvements for fiscal year 1995-96; placing \$197,448 on reserve."

VOTE: 2-1. (Supervisor Kaufman absent.)

9. File 101-95-49. [Appropriation, Department of Parking and Traffic] Ordinance appropriating and rescinding \$141,990, Department of Parking and Traffic, from salaries and fringe benefits, for the creation and deletion of nine (9) positions for fiscal year 1995-96. (Controller) RO #95140 (COMPANION TO THE FOLLOWING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; John Newlin, Director, Parking and Traffic Department. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 2-1. (Supervisor Kaufman absent.)

10. File 102-95-10. [Salary Ordinance Amendment, Department of Parking and Traffic] Ordinance amending Ordinance No. 256-95 (Annual Salary Ordinance, 1995/96) reflecting the creation of nine (9) positions (Classifications AB05S Deputy Clerk, DPT (5), AB06S Deputy Clerk I, DPT (1), AB07S Information Clerk, DPT (2), AB08S Assistant Division Chief Clerk, DPT (1), and the deletion of nine (9) positions (Classifications 0320A Deputy Clerk, Municipal Court (5), 0290A Deputy Clerk, Municipal Court (1), 0340A Information Clerk, Municipal Court (2), 0270A Assistant Division Chief Clerk, Municipal Court (1). (Department of Human Resources) (COMPANION TO THE PRECEDING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; John Newlin, Director, Parking and Traffic Department. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 2-1. (Supervisor Kaufman absent.)

11. File 101-95-50. [Appropriation, Sheriff's Department] Ordinance appropriating \$150,000, Sheriff's Department, of Sheriff-State Authorized Revenue Fund, to replace vehicles for fiscal year 1995-96. (Controller) RO #95137

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Sgt. Richard Ridgeway, Financial Services Manager, Sheriff's Department. Lt. Tom Wynn, Sheriff's Department. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 2-1. (Supervisor Kaufman absent.)

TIME MEETING ADJOURNED: 2:12 P.M.

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CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

February 2, 1996

TO: // Budget Committee

DOCUMENTS DEPT.

FROM: // Budget Analyst *Recommendation - to City*

FEB 05 1996

SUBJECT: February 7, 1996 Budget Committee Meeting

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Item 1 - File 100-95-12

Note: This item was continued by the Budget Committee at its meeting of January 31, 1996.

This item is a hearing concerning the long-term budget impacts that Federal budgetary reductions will have on the budget of the City and County of San Francisco over the next seven to nine years.

The Controller and the Budget Analyst will orally advise the Committee on any updated information obtained regarding the impacts which pending Federal budgetary reductions will have on San Francisco.

Memo to Budget Committee
February 7, 1996 Budget Committee Meeting

Item 2 - File 220-96-1

Department: San Francisco Redevelopment Agency (SFRA)

Item: Resolution designating and describing a Redevelopment Survey Area within the City pursuant to the California Community Redevelopment Law, encompassing the three parcels of land and adjacent public rights of way along lower Broadway formerly encumbered by the Embarcadero Freeway (Assessor's Block-Lot Numbers 140-8, 141-11, and 165-21).

Comment: The Office of the Sponsor of the proposed resolution has advised the Budget Analyst's Office that a request will be made to continue this item to the call of the Chair.

Recommendation: Continue the proposed resolution to the call of the Chair, as requested by the Office of the Sponsor.

Item 3 - File 84-96-1

Department: Real Estate Department
Department of Public Works (DPW)

Item: Resolution authorizing the City to acquire, on behalf of the Department of Public Works, a temporary construction easement through a portion of the real property identified as Assessor's Parcel No. 4349/15 and to adopt findings pursuant to City Planning Code Section 101.1.

Amount: \$13,336 for temporary construction easement rights for the period retroactive from November 1, 1995 through June 30, 1996 (eight months).

Source of Funds: 1988 Clean Water Sewer Bond funds

Description: The DPW's Clean Water Program, Islais Creek Transport/Storage Project, which began November 1, 1993, involves installing underground storage containers along the Islais Creek, in order to capture, store and transport excess rain water and sewage. Ms. Claudine Venegas of the Real Estate Department advises that the Real Estate Department (1) initially acquired a temporary construction easement on real property owned by Federated Metals Corp. for use as a staging area during the construction of the Islais Creek Transport/Storage Project for the two-year period beginning November 1, 1993 through October 31, 1995, and (2) paid Federated Metals Corp. an amount of \$39,999 (approximately \$1,667 per month) for the easement rights during this period. This easement was on property consisting of 10,695 square feet in the vicinity of Army Street in the Bayview District. The subject easement expired on October 31, 1995.

The proposed resolution would authorize the Real Estate Department to (1) acquire a continuation of the temporary construction easement on the same property from Federated Metals Corp. for the period retroactive from November 1, 1995 through June 30, 1996, (2) pay a sum of \$13,336 (\$1,667 per month) to Federated Metals Corp. for the temporary construction easement rights, and (3) adopt findings pursuant to City Planning Code Section 101.1. In addition, the proposed resolution would authorize an option for the City to extend further the term of the temporary construction easement to September 30, 1996, for an amount of \$5,000 (\$1,667 per month). Mr. Manfred Wong of DPW's Clean Water Program states that because the construction for the Islais Creek Transport/Storage Project is being completed at an accelerated rate, the DPW anticipates completing this

Memo to Budget Committee
February 7, 1996 Budget Committee Meeting

portion of the project on or before June 30, 1996. However, Mr. Wong advises that the DPW has requested authorization for having an option to extend the easement rights until September 30, 1996 in the event the construction is not completed by June 30, 1996.

Comments:

1. The proposed acquisition of the temporary construction easement is in conformity with the Master Plan and is consistent with the Eight Priority Policies of City Planning Code Section 101.1, according to the Planning Department.

2. The Real Estate Department has determined that the amount of \$13,336 represents a fair and reasonable value for the subject easement rights.

Recommendation: Approve the proposed resolution.

Memo to Budget Committee
February 7, 1996 Budget Committee Meeting

Item 4 - File 101-96-43

Department: Mayor's Office

Item: Supplemental appropriation of \$142,937 from the General Fund Reserve for salaries and fringe benefits for the Mayor's Office for FY 1995-96 and placing \$142,937 on reserve.

Amount: \$142,937

Source of Funds: General Fund Reserve

Description: The proposed supplemental appropriation would be used to pay off vested vacation and sick leave benefit costs for the Mayor's staff who are laid off as a result of the recent change in administration.

Comment: Mr. Yockey has requested that this item be continued to the Call of the Chair.

Recommendation: Continue this item to the Call of the Chair as requested by the Mayor's Office.

Memo to Budget Committee
February 7, 1996 Budget Committee Meeting

Item 5 - File 101-95-45

Departments: Fire Department
Department of Public Works (DPW)

Item: Ordinance appropriating \$1,600,000 of 1992 Fire Protection Bond interest earnings for ten capital improvement projects for the Fire Department.

Amount: \$1,600,000

Source of Funds: Interest earned from 1992 Fire Protection Bonds

Description: The proposed \$1,600,000 would be used by the Fire Department to provide additional funding for construction services involving facility upgrades for ten Fire Stations.

Comment: The DPW has requested that this item be continued to the Budget Committee Meeting of February 14, 1996, in order to allow the Department additional time to provide the budget details for the proposed supplemental appropriation. The Fire Department concurs with this request.

Recommendation: Continue the item to the Budget Committee meeting of February 14, 1996 as requested by the DPW.

Item 6 - File 101-95-46

Department: Department of City Planning

Item: Ordinance appropriating \$109,745 in planning fee revenues, for salaries and fringe benefits to reduce salary savings for FY 1995-96.

Amount: \$109,745

Source of Funds: Planning Department fees

Description: In the Planning Department's FY 1995-96 budget, the Board of Supervisors approved the expenditure of projected planning fee revenues totaling \$3,799,399. The DCP is now projecting that an amount of \$4,234,793 in fee revenues will be generated during the fiscal year, an increase of \$435,394 over the amount initially projected.

The proposed ordinance would appropriate \$109,745 of the projected additional planning fee revenues for salaries and fringe benefits for additional Planning Department staff. The Attachment, provided by the Planning Department, describes the changes in the Department's workload which have resulted in the increased revenues and in the need for additional staff.

The positions to be funded are existing positions which have been held vacant in order to achieve the Department's salary savings requirement for FY 1995-96. Ms. Martha Kessler of the Planning Department reports that two vacant Planner I positions were filled in late October in anticipation of this supplemental appropriation, and a vacant Planner II position was filled in January of this year. In addition, the Department proposes to fill two vacant Planner I positions in February, and a vacant Junior Administrative Assistant position in March (See Comment No. 1).

Comments: 1. Because the actual and proposed dates of hire for the positions requested under this appropriation have changed from those in the original request, the Budget Analyst advises that the amount required to fund the positions can be reduced by \$6,257 in salary costs, from \$87,238 to \$80,981, and by \$1,614 in mandatory fringe benefit costs, from \$22,507 to \$20,893, for a total savings of \$7,871. The overall appropriation should therefore be reduced by \$7,871, from \$109,745 to \$101,874.

Memo to Budget Committee
February 7, 1996 Budget Committee Meeting

2. As noted above, this appropriation will be funded from additional fee revenues collected by the Planning Department.

- Recommendations:** 1. Amend the proposed ordinance to reduce the appropriation amount by \$6,257 in salaries and by \$1,614 in fringe benefits, for a total reduction of \$7,871, in accordance with Comment No. 1 above.
2. Approve the proposed ordinance, as amended.

February 1, 1996

Memorandum

To: Peg Stevenson
Board of Supervisors Budget Analyst

From: Alec Bash *ASB*
Planning Department

Re: Increased Workload Associated with Increased Fees

The Planning Department projects FY95-96 fee revenues to be about \$435,000 higher than was originally projected in the FY95-96 budget. These greater fee revenues are associated with our having larger, more complex projects than was recently the case. Larger and more complex projects typically have higher fees, as (1) fees are generally based upon estimated construction costs and (2) several fees may be involved for a single, complex project. These projects clearly require more staff hours and higher costs for review and analysis than do smaller, simpler projects.

Our success in meeting our applications processing performance targets has declined during FY95-96. This is because the project work coming to the Planning Department for review and analysis has exceeded our ability to process these projects within the performance target time periods. The decline in performance target measures is shown in the attached table, comparing performance targets for the three prior fiscal years with the first six months of FY95-96. Performance has declined in seven of the measured areas.

Approval of the supplemental is essential if we are to have sufficient staff to continue the hitherto good progress we were making in improving our applications processing performance levels. Application fees associated with this additional work are available to support this supplemental.

PERFORMANCE TARGETS—CURRENT PLANNING + ENVIRONMENTAL REVIEW

Category	Target	FY92-93	FY93-94	FY94-95	FY95-96 (6 months)
Building Permits	5 Days	>80% 3 days	>80% 3 days	>80% 3 days	>80% 3 days
NC Cond. Uses	60 days	15%	10%	62%	50%
Conditional Uses	90 days	67%	41%	77%	68%
Cert. of Approp.	60 >> 30 days	93% (60 days)	87% (30 days)	68%	100%
Disc. Review	90 >> 60 days	82% (90 days)	47% (60 days)	60%	44%
Variances	90 days	46%	58%	83%	88%
Cat. Exemptions	2 >> 8 days	4% (2 days)	67%	85%	36%
Gen. Rule Excl.	35 days	80%	70%	63%	27%
Prel. Neg. Dec.	120 days	70%	82%	65%	57%
Subdivision	30 days	42%	43%	46%	46%
Condo Sub.	30 days	49%	63%	83%	83%
Info. Counter	9 hours	6 hours	6 hours	8 hours	9 hours
Const. Serv. Ctr.	9 hours	9 hours	9 hours	9 hours	9 hours

Item 7 - File 101-95-47

Department: Chief Administrative Officer (CAO)

Item: Ordinance appropriating \$50,000, to the Chief Administrative Officer from the General Fund Reserve to professional services to provide funding for negotiations with Viacom/TCI for FY 1995-96, placing \$28,500 on reserve.

Amount: \$50,000

Source of Funds: General Fund Reserve

Description: The proposed ordinance would appropriate \$50,000 from the General Fund Reserve to the Chief Administrative Officer for consultant fees, attorney's fees, and other costs related to negotiations over issues affecting the City's cable television franchise, including the transfer of Viacom's nationwide cable television operations to Telecommunications, Inc. (TCI). Under the proposed resolution, an amount of \$21,500 would be available for expenditure by the CAO immediately, and an amount of \$28,500 would be placed on reserve pending the CAO's demonstration of need for these additional funds. However, Mr. Steve Nelson of the CAO's Office advises that the CAO is now requesting that an amount of \$39,500 in total be made available at this time, and \$10,500 be placed on reserve, pending the CAO's demonstration of a need for additional funds for work related to these negotiations.

The City currently has a cable television franchise agreement with Viacom which extends to the year 2005. Viacom pays a franchise fee to the City of 5 percent of its gross receipts, and is required to provide certain services, such as public cable access channels including Channel 54, and cable hookups for public buildings. The City is currently negotiating with Viacom and with TCI regarding a variety of disputes under the cable television franchise. Negotiations are expected to be completed, and a settlement of these disputes prepared for consideration by the Board of Supervisors, by late February. The CAO advises that for its negotiations with Viacom and TCI, the City requires the following:

- Services of consultants with expertise in cable television and communications issues to conduct a review of the existing franchise including a review of the franchise's compliance with existing and new Federal Communications Commission (FCC) requirements and with local franchise requirements, and a technical evaluation of Viacom's facilities. The CAO conducted a Request for Proposal (RFP)

Memo to Budget Committee
February 7, 1996 Budget Committee Meeting

process for these consultant services, and has selected Communications Policy Group, at a cost of \$20,000, for these services. In addition, the CAO has retained a second consultant as a sole source contract, Mr. William Pohts, at a cost of \$5,000, for assistance in negotiating certain specific issues with Viacom. Neither Communications Policy Group nor Mr. Pohts are MBE/WBEs. The Attachment is a memo from the CAO describing the RFP process, including a copy of the RFP, and listing the consultants who responded to the RFP, the proposal amounts, and their MBE/WBE status.

- The services of outside legal counsel are required in order for the City Attorney to have access to special expertise in cable television regulatory issues, according to Ms. Julia Friedlander of the City Attorney's Office. Ms. Friedlander reports that an RFP process for these services was conducted during FY 1994-95 in preparation for a negotiation with Viacom which was later canceled due to Federal action affecting the telecommunications industry. The firm of Arnold and Porter was selected for these services, at a cost not to exceed \$10,000.

- Travel and training expenses for City staff. CAO and City Attorney staff attended the Western Cable Conference in Anaheim, California in early December, at a cost of \$1,500, for the purposes of gathering information about; (a) the future plans of the cable television industry with respect to local franchise responsibilities, (b) new services and facilities being considered by the cable industry, and, (c) information about current regulatory issues. In addition, City Attorney staff will enter a telecommunications certificate program at San Francisco State University, for the purposes of learning technical, business and legal aspects of the telecommunications industry, at a cost of \$3,000.

The total cost of the services and other items described above is \$39,500, as detailed below.

Budget:

Consulting Services

Communications Policy Group

\$130/hr., plus travel, to a maximum of \$20,000 \$20,000

William Pohts

\$100/hr., plus travel, to a maximum of \$5,000 5,000

Sub-total \$25,000

Legal Services

Arnold & Porter \$125/hr., to a maximum of \$10,000 10,000

Memo to Budget Committee
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Training and Travel (See Comment No. 2)

CAO & City Attorney staff travel to conference, 3 persons, airfare, registration, and expenses	\$1,500
City Attorney training courses	<u>3,000</u>
Sub-total	<u>\$4,500</u>

Total requested for expenditure at this time	\$39,500
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Reserve

Amount requested for reserve, pending the CAO's demonstration of a need for additional funds for work related to the Viacom/TCI negotiations	<u>10,500</u>
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TOTAL	\$50,000
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Comments:

1. In 1995, the Board of Supervisors approved an ordinance requiring all applicants for a franchise in the City, including applicants for the transfer or renewal of a franchise, to pay a fee to defray the City's costs for evaluating the franchise application, transfer or renewal. However, because Viacom and TCI have not yet submitted a transfer application, such fees have not yet been charged. Ms. Friedlander reports that the City is working to recover its costs for the negotiations now underway as a part of the settlement with Viacom/TCI.

2. The Budget Analyst notes that the amount of \$4,500 for travel and training expenses has been expended without prior approval of the Board of Supervisors. Therefore, the Budget Analyst considers this expenditure to be a policy matter for the Board of Supervisors.

3. As noted in Comment No. 2 above, some funds under the proposed appropriation have already been expended. Therefore, the proposed ordinance should be amended to provide for retroactive actions previously taken.

Recommendations:

1. Approve the appropriation in the amount of \$45,500, including expenditure of \$35,000, for consulting services and legal services, and place \$10,500 on reserve, pending the CAO's demonstration of need for these additional funds.

2. Amend the proposed ordinance to provide for retroactive action previously taken.

3. Approve the proposed ordinance, as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
February 7, 1996 Budget Committee Meeting

4. Approval of an additional \$4,500 for travel and training expenses, which have already been expended prior to approval by the Board of Supervisors, is a policy matter for the Board of Supervisors.

OFFICE OF THE
CHIEF ADMINISTRATIVE OFFICERWILLIAM L. LEE
CHIEF ADMINISTRATIVE OFFICER

M E M O R A N D U M

January 31, 1996

TO: Peg Stevenson, Budget Analyst's Office

FROM: Steve Nelson, CAO's Office

SUBJECT: Request on Telecommunications Supplemental Appropriation

The purpose of this memo is to respond to your request for additional information relative to the supplemental appropriation the CAO's Office submitted for costs associated with the negotiations with Viacom and TCI.

Communications Policy Group (CPG) is solely charged with completing the work detailed on the attached Request for Proposal. Their billing rate is \$130 per hour and the City is responsible for paying travel costs. We negotiated a contract with them that calls for a maximum cost of \$20,000 related to the services described on the RFP. As CPG is located in Massachusetts, they are not a certified MBE/WBE/LBE firm.

In consultation with the City Attorney's Office, William Pohts was retained due to information he was able to gather on a tour of Viacom's facilities. This information was not made available to CPG. We determined that Mr. Pohts' participation in a negotiating meeting with Viacom would be useful to those negotiations. Mr. Pohts' billing rate is \$100 per hour, plus travel costs. We negotiated a maximum of \$5,000 for this contract. Mr. Pohts firm is located in Virginia and, as such, is not a certified MBE/WBE/LBE firm.

Regarding our recruitment, the City Attorney's Office provided me with the names of particular consultants to whom copies of the RFP were mailed. We also advertised through the Purchaser's Office, including through the Internet. We only received one response from a San Francisco firm. To our knowledge, this firm was not a registered MBE/WBE/LBE.

Should you require any additional information, please let me know.

REQUEST FOR PROPOSAL FOR ENGINEERING CONSULTING SERVICES
CITY AND COUNTY OF SAN FRANCISCO

Telecommunications, Inc. (TCI) has negotiated a deal with Viacom whereby TCI will take over all of the cable television operations of Viacom. In San Francisco, this means that TCI will have a controlling interest in the company that holds the City's cable television franchise. Although the companies have asserted that the City's franchise does not authorize the City to approve or disapprove the transaction, the companies are nonetheless negotiating with the City regarding a variety of issues. In connections with these negotiations, the City and County of San Francisco is looking to engage the services of a qualified consulting firm to assist us in the following areas:

1. Review all proof of performance test reports submitted to the FCC and identify areas of non-compliance.
2. If necessary, after reporting to the CAO regarding non-compliance findings, identify test points and conduct selected independent field performance tests.
3. Inspect operator's transmission facilities and evaluate compliance with the franchise provisions regarding technical performance, including relevant provisions of sections 2(a)(1), 2(a)(2), 4(a) and 4(c), as well as state and local codes.
4. Evaluate the City's existing and proposed telecommunications facilities and services and assist in preparing the City's negotiating position regarding the operator's provision of conduit for the City's exclusive use, pursuant to section 8, subsections (b) and (c) of the franchise and cable television services pursuant to Section 2(a)(4), paragraph 3, of the franchise.
5. Evaluate the PEG (public, educational and government) access facilities provided by the grantee. Identify franchise compliance problems with respect to PEG facilities and services. Recommend remedies with respect to compliance problems, as well as franchise clarifications and modifications. Assist in preparing the City's negotiating position regarding the operator's provision of PEG facilities and services.
6. Please include a list of references from at least three franchising authorities, including, if possible, both administrative staff and legal counsel for client franchising authorities.
7. Proposals have the option of responding to either items 1-5, 1-4 or 5 only. All proposals must include the list of references.

The City intends to select a consultant by November 17 and have the work completed by the middle of December.

If you are interested in pursuing this opportunity, please send a reply to the following address no later than Monday, November 13:

Office of the Chief Administrative Officer
401 Van Ness Ave, Room 402
San Francisco, CA 94102
Attn: Steve Nelson, Chief of Staff

Given the time constraints, you can FAX your response to Mr. Nelson at 415-554-4849.

If you submitted a proposal for the earlier RFP, you should send a letter indicating that you wish to continue to be considered for the engagement. That letter should include the references detailed in item 6 and, should you wish to be considered for item 5, you should include documentation to that effect.

BIDDERS ON FRANCHISE REVIEW RFP

PROPOSER	LOCATION	BID AMOUNT	COMMENTS
Christopher Wittenman	San Francisco, CA	9,000	Not able to perform technical work
Communications Support Group	Emelino, CA	None given	
Hammett & Edison	Sonoma, CA	None given	Could only perform 80% of work
David M Griffith & Assoc	Houston, TX	68,180	
Charles Gramlich	Austin, TX	5,000 + travel	Could only perform 80% of work
Communications Policy Group	Marblehead, MA	15,600 + travel	
William Pohls	Alexandria, VA	8,550 + travel	
River Oaks Communications	Colorado Springs, CO	None given	Could only perform 20% of work

None of the proposers were registered MBE, WBE or LBE firms.

Post: (C) brand fax-janemiller memo 7871 of pages 1

To	Per Stevenson	From	S. Nelson
Co.		Co.	
Dept.		Phone #	
Fax #	252-0411	Fax #	

Item 8 - File 101-95-48

Department: Arts Commission

Item: Ordinance appropriating \$201,348 to the Arts Commission for various facilities maintenance improvements for fiscal year 1995-96.

Amount: \$201,348

Source of Funds:	Reserve for Arts Commission	
	- Cultural Centers	\$200,000
	General Fund Reserve	<u>1,348</u>
	Total	\$201,348

Description: During the FY 1995-96 budget process, the Board of Supervisors created a \$200,000 reserve specifically for various building improvements and repairs at the four cultural centers. The four cultural centers are City-owned buildings that are operated by non-profit corporations. The four Cultural Centers consist of the Mission Cultural Center for Latino Arts, the South of Market Cultural Center, the Center for African and African American Art and Culture and the Bayview Opera House. Subsequent to the establishment of this reserve, there was damage that occurred at the Bayview Opera House as a result of a hit-and-run accident which affected structural support for the main frame of the building.

The proposed supplemental appropriation ordinance would appropriate \$200,000 from the Reserve for Arts Commission - Cultural Centers, and \$1,348 from the General Fund Reserve to fund various building improvements and repairs, including the emergency repairs that are required at the Bayview Opera House as a result of the hit-and-run accident.

Budget: The sources and uses of funds for the proposed supplemental appropriation ordinance is as follows (a more detailed budget is contained in the Comment section of this report):

Memo to Budget Committee
February 7, 1996

	Reserve for Arts Commission <u>Cultural Centers</u>	General Fund <u>Reserve</u>	<u>Total</u>
Ctr. for African American Art and Culture	\$50,521	\$0	50,521
Mission Cultural Center	49,815	0	49,815
Bayview Opera House	50,485	0	50,485
South of Market Cultural Center	<u>46,627</u>	<u>0</u>	<u>46,627</u>
Subtotal	\$197,448	\$0	\$197,448
Bayview Opera House Emergency Repairs	<u>2,552</u>	<u>1,348</u>	<u>3,900</u>
TOTALS	\$200,000	\$1,348	\$201,348

Comments:

1. The **\$50,521** budgeted for the Center for the **African American Art and Culture** would fund the following items:

Handicap and Bathroom Improvements on 2nd and 3rd Floor	\$16,639
Roof Replacement	29,254
Various Fire Escape Alterations	<u>4,628</u>
Total Building Improvements and Repairs	\$50,521

2. The **\$49,815** budgeted for the **Mission Cultural Center** would fund the following items:

Repair of Heating and Ventilation System	\$48,809
Installation of Exhaust Fans	<u>1,006</u>
Total Building Improvements and Repairs	\$49,815

3. The \$50,485 budgeted for the **Bayview Opera House** would fund the following items:

Rebuilding wood handrails	\$1,257
Roof Replacement	23,252
Installation of Security Alarm	5,237
Handicap Access Improvements to Stage Areas and Bathrooms	<u>20,739</u>

Total Building Improvements and Repairs \$50,485

4. The \$46,627 budgeted for the **South of Market Cultural Center** would fund the following items:

Exterior Site Repairs (soils regrading)	\$1,676
Bathroom Improvements	15,543
Floor and Wall Repairs and Insulation Installments	<u>29,408</u>

Total Building Improvements and Repairs \$46,627

Grand Total Building Improvements and Repairs
(excluding emergency repairs to the Bayview
Opera House) \$197,448

5. The Arts Commission has not yet finalized cost details or determined whether these above-listed building improvements and repairs would be performed in-house by DPW staff or whether outside contractors would be utilized. Therefore, a total of \$197,448 should be reserved pending the selection of contractors, the MBE/WBE status of the contractors (if outside contractors are utilized) and submission of contract cost details.

6. The emergency repairs that are required by the hit-and-run accident at Bayview Opera House will be performed by the Department of Public Works (DPW) Bureau of Building Repair. Based upon a DPW job order, the cost of these repairs will total \$3,900 (consisting of \$2,552 budgeted from the Reserve for Arts Commission-Cultural Centers and \$1,348 budgeted from the General Fund Reserve). These repairs are carpentry services (removing damaged siding, repairing structural damage, and installing new siding), plumbing services (repairing and replacing pipes and toilets), and cement shop services (repairing damaged tilework). The hours and hourly rates for DPW staff are as follows:

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7344 Carpenter (48 hrs @ \$48.13 per hour)	\$2,310
7378 Tile Setter (8 hrs @ \$43.88 per hour)	351
7347 Plumber (16 hrs @ \$55.44 per hour)	<u>887</u>
Subtotal Labor*	\$3,548
Materials	<u>352</u>
Total	\$3,900

* Hourly rates include fringe benefits and departmental indirect costs such as supervision and equipment.

Recommendations: 1. Amend the proposed ordinance to reserve a total of \$197,448, pending the selection of contractors, the MBE/WBE status of the contractors (if outside contractors are utilized) and submission of contract cost details. The \$197,448 consists of the following:

- \$50,521 budgeted for the Center for African American Art and Culture;
- \$49,815 budgeted for the Mission Cultural Center;
- \$50,485 budgeted for the Bayview Opera House;
- \$46,627 budgeted for the South of Market Cultural Center.

2. Approve the proposed ordinance as amended.

Items 9 and 10 - File 101-95-49 & 102-95-10

Department: Department of Parking and Traffic (DPT)

Item: Ordinance appropriating and rescinding \$141,990, Department of Parking and Traffic, from salaries and fringe benefits, for the creation and deletion of nine positions for fiscal year 1995-96. (101-95-49)

Ordinance amending the 1995-96 Annual Salary Ordinance reflecting the creation of nine Department of Parking and Traffic positions and the deletion of nine Municipal Court positions. The newly created positions are Classifications AB05S Deputy Clerk (5 positions), AB06S Deputy Clerk I (1 position), AB07S Information Clerk (2 positions), AB08S Assistant Division Chief Clerk (1 position). The deleted positions are Classifications 0320A Deputy Clerk (5 positions), 0290A Deputy Clerk (1 position), 0340A Information Clerk (2 positions), and 0270A Assistant Division Chief Clerk (1 position).

Amount: \$141,990

Source of Funds: Reappropriation of General Fund Monies

Description: In November, 1993, the functions of processing and adjudicating parking citations were transferred from the Municipal Court to the DPT, along with the 51 positions responsible for parking citation processing. However, the Trial Court salaries were greater than equivalent Civil Service classifications. To prevent a loss of compensation for filled positions, the HRD directed the DPT to continue to use Trial Court classifications for the transferred employees, but that new hires must be filled using equivalent civil service classifications. Since that time 42 positions have been filled with equivalent civil service classifications, and nine positions remain in the original Trial Courts classifications.

In November, 1995, the Civil Service Commission directed the Department of Human Resources and the DPT to transfer all DPT employees in Trial Court classifications into civil service classifications. The proposed ordinance would effect the transfer of four classifications, comprising the remaining nine positions, from the existing Trial Courts classifications to the proposed civil service classifications, effective March 1, 1996.

The following chart indicates the proposed transfer of positions:

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BUDGET ANALYST

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Position Title for Both Deleted and Added Positions	Trial Courts Classifications Proposed to Be Eliminated	Civil Service Classifications Proposed to Be Added	Number of Positions
Deputy Clerk	0320A	AB05S	5
Deputy Clerk I	0290A	AB06S	1
Information Clerk	0340A	AB07S	2
Asst. Div. Chief Clerk	0270A	AB08S	1
TOTALS			9

There would be minor decreases from the top step salaries of the current Trial Courts positions to the top step salaries of the proposed new civil service positions, ranging from \$8 to \$14 on a biweekly basis and totaling a maximum for all nine positions of approximately \$43.27 per week, or \$2,250 per annum. (See Comment 2.) A Classification Study is to be completed by June 30, 1996 to provide a permanent classification for the proposed new "AB" positions, according to Mr. Al Walker of the Civil Service Commission. (The "AB" classification designates an unclassified position.)

Comments:

1. According to Ms. Anne Godfrey of the HRD, the Classification Study would be completed by the HRD as part of their regular duties, and any costs associated with the study would be absorbed by the Department's existing budget. Mr. Walker reported that effective no later than July 1, 1996, the positions would be reallocated to appropriate City classifications. The nine positions affected by these proposed ordinances would receive their current rate of pay until the Classification Study is completed.

2. According to Mr. Michael Lum of the DPT, all of the nine individuals affected by this proposed legislation are currently at the top step salary. As noted above, the existing Trial Courts classifications pay from \$8 to \$14 more per week than the proposed new civil service classifications. Therefore, approval of this proposed legislation would result in a reduction in salary of \$8 to \$14 bi-weekly for the nine affected individuals, effective on March 1, 1996 (the anticipated date of the transfer of classifications) through June 30, 1996.

The Trial Courts classifications received pay increases of up to one percent effective January 1, 1996. However, the pay schedules of the proposed new civil service classifications were not adjusted to reflect these increases. Since the proposed ordinances would be in effect from March 1, 1996 through June 30, 1996, the total savings that would accrue to

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the City in Fiscal Year 1995-96, and the corresponding reductions in salary for the nine positions, would be approximately \$736, or an average salary reduction of approximately \$82 for each of the nine positions.

3. Subsequent to July 1, 1996, the salaries for these nine positions and the related four classifications may be altered as a result of the Classification Study, commensurate with employees performing similar responsibilities in the City, according to Ms. Godfrey.

4. According to Ms. Vicki Clayton of the City Attorney's Office, the reason that these classifications must be transferred is to bring the City into compliance with State Assembly Bill 408, which mandated the transfer of responsibility for processing parking violations from the Municipal Court to the City, and mandated that all Trial Courts positions performing these functions be transferred from Trial Courts classifications to civil service classifications.

Recommendations: Approval of the proposed ordinances are policy matters for the Board of Supervisors.

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Item 11 - File 101-95-50

Department: Sheriff's Department

Item: Ordinance appropriating \$150,000 of State revenues to pay for the replacement of eight vehicles in the Sheriff's Department.

Amount: \$150,000

Source of Funds: Sheriff-State Authorized Revenue Fund (Fees charged for various civil transactions such as serving subpoenas)

Description: The Sheriff's Department advises that the requested funds would be used to purchase eight replacement vehicles for the Sheriff's Department's Civil Division and Custody Division. According to the Sheriff's Department, the vehicles to be replaced include seven marked sedans and one four-wheel drive wagon, all of which are between 10 and 13 years old and seven out of eight of which have accumulated over 100,000 miles, with mileage ranging from 110,298 miles to 173,500 miles. The remaining vehicle has accumulated over 90,000 miles.

According to the Sheriff's Department, there is a need to replace the above-noted vehicles because (1) the vehicles require excessive maintenance and (2) the vehicles pose a health and safety problem when they breakdown while Sheriff's Department staff are transporting inmates or performing other hazardous duties.

Budget: The Sheriff's Department is proposing to purchase eight new vehicles, as follows:

Marked Sedan - 1996 Oldsmobile Achieva SL (5 sedans @ \$17,000 each)	\$85,000
Marked Sedan - 1996 Ford Taurus (2 sedans @ \$20,000 each)	40,000
Four-Wheel Drive Wagon - 1996 Chevrolet Tahoe LS (one wagon @ \$25,000)	<u>25,000</u>
Total	\$150,000

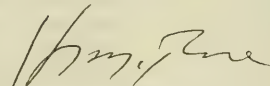
Comments: 1. The Sheriff's Department reports that five of the seven proposed replacement sedans will be used by the Sheriff's Civil Division staff for process serving and serving eviction notices. The remaining two sedans will be used by the Custody Division of the Sheriff's Department to primarily transport inmates. According to Sergeant Ridgeway of the Sheriff's Department, the replacement four-wheel drive

wagon will be used primarily to transport staff and equipment (e. i., hand guns and rifles) to the Police Department's gun range, which is located at the San Bruno Jail compound.

2. Sergeant Ridgeway advises that the Purchasing Department has not yet conducted a competitive bidding process for the eight subject vehicles to be acquired and that the requested \$150,000 represents an estimate based on (a) the cost of similar vehicles recently purchased by the Sheriff's Department and (b) a dealer's quote, in the case of the wagon. As such, the Budget Analyst recommends that the requested \$150,000 be placed on reserve pending the Purchasing Department's award of the purchasing contracts for the eight vehicles.

3. The Attachment, provided by the Police Department, lists the eight vehicles to be replaced, including the make and the year of the vehicles, and the total mileage of each vehicle.

- Recommendations:**
1. Amend the proposed ordinance to place the \$150,000 on reserve pending the Purchasing Department's award of the purchasing contracts for the eight vehicles.
 2. Approve the proposed ordinance as amended.



Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Supervisor Teng
Supervisor Yaki
Clerk of the Board
Chief Administrative Officer
Controller
Sam Yockey
Paul Horcher
Ted Lakey

City and County of San Francisco

OFFICE OF THE SHERIFF

Michael Hennessey
SHERIFF

415 - 554 - 7225

Thursday, February 1, 1996

Sandy Brown-Richardson
Budget Analyst for the Board of Supervisors
1390 Market Street, Room 1025
San Francisco, CA

Dear Sandy:

This is the requested information about those vehicles that are in service and will be replaced by our department.

Year	Model	License	City #	Mileage
1983	Dodge Aries, Station Wagon	3EAU958	173Y111	173,500
1983	Ford Fairmont, 4 door Sedan	E790920	173Y206	153,213
1985	Dodge Aries, 4 Door Sedan	E490201	173Y101	145,904
1985	Chevrolet Celebrity, 4 Door Sedan	2MJS829	173Y403	110,298
1985	Chevrolet Celebrity, 4 Door Sedan	E498718	173Y224	111,930
1985	Chevrolet Celebrity, 4 Door Sedan	1PMH643	173Y225	138,865
1986	Plymouth Reliant, 4 Door Sedan	E063600	173Y105	137,163
1986	Chevrolet Celebrity, 4 Door Sedan	2MJS845	173Y404	90,131

If you need anything else please just give me a call at 554-7217.

Sincerely,

 A handwritten signature in dark ink, appearing to read "Richard Ridgeway".

Richard Ridgeway, Sergeant
Financial Services Manager

**MINUTES
REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO**

WEDNESDAY, FEBRUARY 14, 1996 - 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE, ROOM 410

MEMBERS: SUPERVISORS HSIEH, KAUFMAN, BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:05 P.M.

DOCUMENTS DEPT

FEB 21 1996

SAN FRANCISCO
PUBLIC LIBRARY

HEARINGS

1. File 100-95-12. [Joint Report of Controller and Budget Analyst] Hearing to consider the joint report of the Controller and Budget Analyst, estimating the long-term budget impacts federal cuts will have on San Francisco's budget over the next seven (7) to nine (9) years. (Supervisor Hsieh)

(Consideration Continued from 2/07/96)

SPEAKERS: None.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO THE FEBRUARY 21, 1996, MEETING.

VOTE: 3-0.

2. File 165-95-4.2. [Management Audit, Tax Collector's Office] Hearing to consider the status of the recommendations contained in the management audit of the Tax Collector's Office. (Supervisor Hsieh)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Richard Sullivan, Tax Collector. IN SUPPORT: Reuben David Goodman.
OPPOSED: None.

ACTION: HEARING HELD. FILED.

VOTE: 3-0.

FISCAL ITEM

3. File 101-95-45. [Appropriation, Fire Department] Ordinance appropriating \$1,600,000, Fire Department, of 1992 Fire Protection Bond interest earnings, for a capital improvement project (design and architectural projects for various Fire Stations), for fiscal year 1995-96. (Controller) RO #95117

(Consideration Continued from 2/7/95)

SPEAKERS: None.

ACTION: CONSIDERATION CONTINUED TO THE FEBRUARY 21, 1996, MEETING.

VOTE: 3-0.

GENERAL ITEMS

4. File 101-94-76.2. [Reserved Funds, Chief Administrative Officer] Hearing to consider release of reserved funds, Chief Administrative Officer (Convention Facilities Fund), in the total amount of \$165,300 for capital improvements for the Children's Place and Moscone Center. (Chief Administrative Officer)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst.
IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$165,300 APPROVED. FILED.

VOTE: 3-0.

5. File 168-96-2. [Acquisition of Property, Brooks Park/Extension "Open Space"] Resolution authorizing purchase agreement for acquisition of real property located in Merced Heights described as the Brooks Park Open Space Extension Site, identified as City and County of San Francisco Assessor's Block 7075, Lots 32, 33, 34, and 35 for open space purposes and adopting findings pursuant to City Planning Code Section 101.1. (Real Estate Department)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Tony DeLucchi, Director, Real Estate Department; Phil Arnold, Assistant General Manager, Recreation and Park Department. IN SUPPORT: Peter Barinett; Regina Blacher; Lonnie Lawson, Open Space Advisory Committee. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

TIME MEETING ADJOURNED: 2:06 P.M.

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

February 9, 1996

TO: Budget Committee

DOCUMENTS DEPT.

FROM: Budget Analyst Recommendation

FEB 13 1996

SUBJECT: February 14, 1996 Budget Committee Meeting

SAN FRANCISCO
PUBLIC LIBRARY

Item 1 - File 100-95-12

Note: This item was continued by the Budget Committee at its meeting of February 7, 1996.

This item is a hearing concerning the long-term budget impacts that Federal budgetary reductions will have on the budget of the City and County of San Francisco over the next seven to nine years.

The Controller and the Budget Analyst will orally advise the Committee on any updated information obtained regarding the impacts which pending Federal budgetary reductions will have on San Francisco.



Item 2 - File 165-95-4.2

Department: Tax Collector's Office

Item: Hearing to consider the status of the recommendations contained in the management audit of the Tax Collector's Office.

Description: In April, 1995, the Budget Analyst's Office completed a Management Audit of the Tax Collector's Office. The management audit report contained eleven findings and 81 recommendations. We estimated that full implementation of the recommendations contained in our report would decrease the Tax Collector's overall costs and increase revenues by a net amount of approximately \$7.1 million to \$16 million annually, including approximately \$2 million in the first year. This is a hearing to consider the status of the recommendations contained in the management audit of the Tax Collector's Office.

The Tax Collector submitted the attached written report regarding the Tax Collector's progress in regard to the Budget Analyst's management audit recommendations (Attachment 1). The following is a brief summary of the Tax Collector's progress as reported in the Tax Collector's attached report regarding the Budget Analyst's management audit recommendations.

Section I.1: Accounting and Statements

The Budget Analyst recommended that the Tax Collector establish centralized accounting and check control procedures, in conformance with the previous recommendations of a Tax Collector Task Force. The Tax Collector has established two new task forces to consider the specific implementation of this recommendation.

Section I.2: Automation

The Budget analyst recommended that the Tax Collector take various steps to improve performance related to automated systems, including training, establishing procedures, reevaluate security measures, and linking systems. The Tax Collector has been unable to implement certain automation procedures due to difficulties in hiring and retaining qualified staff, according to the *Progress Report*. However, a weekly meeting among senior managers is held to improve the efficiency of the Business Tax System.

BOARD OF SUPERVISORS
BUDGET ANALYST

Also, job announcements have been modified to require "computer proficiency."

Section I.3: Taxpayer Assistance

The Budget Analyst endorsed various recommendations of a Tax Collector task force to improve taxpayer assistance. Physical space modifications are underway to establish a Taxpayer Assistance Group, which the Tax Collector anticipates to be operational by July 1, 1996. The Tax Collector has met with vendors to establish self-service information kiosks. Fifty percent of employees have participated in cross-training department-wide.

Section II.1: Licensing

The Budget Analyst made various recommendations related to consolidating billing for licenses with other billing procedures. The Tax Collector is working with the City Attorney's Office to affect necessary legislative changes. Rent Stabilization and Arbitration fees have been moved to the Property Tax bill for FY 1995-96, and the attachment of other property-related licenses is anticipated to be in place by FY 1996-97. Dissolution of the Licensing Section will take place in stages as consolidation takes effect. A 1408 Principal Clerk and a 1630 Account Clerk have been reassigned to Property Tax, and a 1404 Clerk has been reassigned to the Business Tax Section. Remaining staff will be reassigned to the Taxpayer Assistance Group over time.

Section II.2: Dog Licenses

The Budget Analyst recommended that the dog licensing function be transferred to the Department of Animal Care and Control, along with the resources associated with that function. The Tax Collector reports that the Department of Animal Care and Control intends to assume all responsibilities for dog licensing by FY 1996-97.

Section III.1: Business Tax Auditing

The Budget Analyst recommended that unregistered and delinquent accounts be pursued by the Collections Division rather than the audit staff. The Tax Collector has established a task force to consider this recommendation.

The Tax Collector has reorganized certain audit functions to improve productivity, and has implemented productivity standards. In part as a result of improved productivity

resulting from these activities, Mr. Sullivan reports, average monthly audit collections improved 64 percent, from an average of approximately \$560,307 per month in FY 1994-95 to an average of approximately \$920,456 per month in FY 1995-96.

Section III.2: Review of City Park Audit

The Budget Analyst recommended that the Tax Collector develop more detailed audit procedural guides and in-house training for staff. A new 1822 Administrative Analyst has been assigned to develop procedural guidelines, and in-house training is in place. The Tax Collector has begun to implement an annual audit evaluation plan.

Section III.3: Business Registration

The Budget Analyst recommended that the Tax Collector establish a Business Identification Unit with responsibility for (a) identifying businesses that must register with the City and (b) tracking all identified business to ensure that such businesses register. A Tax Collector Investigator has been assigned full-time to identify businesses that must register with the City.

Section III.4: Taxicab Driver Status

The Budget Analyst recommended that the Tax Collector establish a checklist for determining the status of taxicab drivers as independent contractors versus employees and immediately begin registering companies and drivers and collecting revenues from them. The Tax Collector implemented a survey of six taxicab companies and 5,000 taxicab drivers. Based on the results of this survey, Tax Collector staff will make recommendations regarding a course of action.

The City Attorney has determined that the Tax Collector has the authority to collect business taxes from taxicab companies and drivers retroactively. The Tax Collector will attempt to collect such retroactive taxes if appropriate.

Section IV.1: Delinquent Collections Process: Business Tax

The Budget Analyst recommended that the Tax Collector send delinquent tax notices reflecting realistic estimates of the actual amount of taxes owed, rather than inflated

estimates. The Tax Collector reports that he will implement this recommendation in June, 1996.

The Budget Analyst recommended that a penalty be imposed on delinquent taxpayers for each infraction, rather than a single penalty each year. The Tax Collector is proposing that the language of the Municipal Code be clarified to allow multiple penalties in a single year, as recommended by the Budget Analyst.

The Tax Collector has established a specific delinquent collections unit for collection of business tax delinquencies under the Delinquent Revenue Division. This new unit has collected previously uncollected revenues of \$205,446 over an eleven-week period, or \$18,677 per week on average. Annualized, this would amount to \$971,204 per year.

Section IV.2: Consolidated Collections Process

The Budget Analyst recommended that the collections process be consolidated, that less expensive non-labor intensive collections methods should be used as a first step, and that a multi-variable, automated prioritization system be established. A group of Division managers has prepared a written report for the Tax Collector, at his request, recommending that the Investigations and the Delinquent Revenue Divisions be consolidated.

The Tax Collector is placing liens on businesses that are delinquent in paying taxes owed to the City, in conformance with the Budget Analyst's recommendation.

The Tax Collector advises that recommendations of the Budget Analyst pertaining to consolidating collections procedures would require Board of Supervisors approval. The Tax Collector has requested that the City Attorney prepare an amendment to the Municipal Code to affect the recommendations of the Budget Analyst, including establishing a multi-variable collection prioritization system.

Comments:

1. Mr. Richard Sullivan, Tax Collector, reports that FY 1995-96 revenues have increased \$2,362,230 as a result of the Tax Collector's recent actions, as detailed in the attached Memorandum (Attachment 2). The Tax Collector is unable to provide total revenue estimates through the end of the fiscal year, since revenue collections are not necessarily distributed equally throughout the year. However, additional revenues will be collected before the end of the fiscal year as a result of the Tax Collector's recent actions, and the amount collected

BOARD OF SUPERVISORS
BUDGET ANALYST

to date, at \$2,362,230, is in excess of the Budget Analyst's original estimate of approximately \$2.1 million in additional revenues in FY 1995-96.

The Budget Analyst notes that some of these increased revenues may be due to other factors, such as changes in the economy. However, the Tax Collector attributes the increases largely to operational improvements.

2. The Budget Analyst commends the Tax Collector's commitment to improving and reforming his operations and concludes the Tax Collector's attached written report to be a highly positive response to the Budget Analyst's management audit.

Office Of The Treasurer/Tax Collector

City and County of San Francisco

Mailing Address: P.O. Box 7426 ❖ San Francisco, CA 94120-7426

Street Address: 875 Stevenson Street, 2nd Floor ❖ San Francisco, CA 94103



MARY I. CALLANAN, Treasurer

Phone: (415) 554-4478

RICHARD A. SULLIVAN, Tax Collector

Phone: (415) 554-4470

MEMORANDUM

DATE: February 9, 1996

TO: Harvey Rose, Budget Analyst

THROUGH: Mary I. Callanan, Treasurer *mic*

FROM: Richard A. Sullivan, Tax Collector *Ras*

RE: Progress Report -- Additional Statistics

As you requested, a brief summary of major impacts to date of our implementation of the Budget Analyst's recommendations:

Business Tax Section: Business Tax Audits:

Deficiency billings for the first half of FY 95-96 are up 123% over the full year of FY 94-95. The net audit impact for the first six months has already been an increase of \$1.2 million over the entire year of FY 94-95.

Collections by BDR:

Three Collections Officers began work on delinquent Business Taxes at the end of November, 1995. In just two and a half months, they have brought in \$205,446. We estimate, conservatively, that this will total \$400,000 by the end of the year. Some of their time has been spent closing out accounts of delinquent 1996 registrations, but they should be back up to speed shortly.

(It should be noted that one of the three left the department after only a week -- so this is the work of only two individuals. We have experienced the usual delays in hiring a new Collections Officer due to the exceptional slowness of the Civil Service system.)

(more)

Additional Statistics -- p.2Business Tax Registrations

Business Tax registrations for the first half of 1995 totalled \$7,160,504. The amount for 1996 to date is already \$8,006,900, an increase of \$856,396.

Investigations Section: Business Tax Audits:

In the first six months of FY 95-96, thirty-two audits were received and processed by the Investigations section, nine liens filed, and seventeen promissory notes signed by taxpayers. In addition, three paid in full and two were retired -- one because of bankruptcy and one because of a Business Tax review. As a result, \$100,388 has been collected.

Building Surveys

One Investigator has been assigned since December to doing business surveys in buildings in the downtown area by going door to door. Another investigator will be assigned within the next few weeks to join the effort. Four major sites were surveyed thus far. We are still processing the resulting data to see the revenue impact.

Approximate Increase To Date:

Item	Increase
Business Tax Audits	\$ 1,200,000
Collections by BDR	\$ 205,446
Business Tax Registrations	\$ 856,396
Investigations Section: Business Tax Audits	\$ 100,388
Total	<u>\$ 2,362,230</u>

We should note that we still have half of the fiscal year to go for further revenue production and that it appears that we are well on schedule. If you have any questions, please do not hesitate to call.



Mary I. Callanan
Treasurer

Richard A. Sullivan
Tax Collector



Tax Collector's Progress Report Concerning Recommendations Of Budget Analyst

February 7, 1996

SUMMARY:

Many of the recommendations in the Budget Analyst's Management Audit report are being addressed in the single action of a complete revision of the City and County of San Francisco Tax Code. A task force is working on this task, expected to take the greater part of a year, one section at a time. Members of the task force include the Tax Collector, the Deputy Tax Administrator, and members of the City Attorney's staff. Numerous meetings have already been held and definite progress is being made.

We are implementing the recommendations of an internal task force on Taxpayer Assistance which reported findings last year that were later endorsed in the Budget Analyst's Management Audit report. Current actions include development of job descriptions, identification of an appropriate physical location in the department, and cross-training of all individuals within the department on the functions of sections other than their own. This process will enable us to identify candidates with the potential for intensified training as generalists who can best serve the needs of the taxpayer. It is our goal to establish a centralized Taxpayer Assistance Group by the end of FY 95-96.

In addition, we implemented a major recommendation in the Budget Analyst's Management Audit report one year earlier than anticipated. The Rent Stabilization fee has been placed on 50,000 FY 95-96 secured tax bills. This early implementation will result in current year savings which will allow us to redeploy resources. We will be able to improve service delivery in areas that would otherwise have been deficient, and we can anticipate even greater benefits in FY 96-97 and beyond.

A second task force reported its findings, also endorsed in the Budget Analyst's Management Audit, in FY 94-95. This task force addressed the issue of centralized accounting. We are implementing those findings through a third task force which is focusing on the specific issue of centralization of the reconciliation function. This function, presently duplicated in the various sections, can be centralized in a few individuals, thus releasing others to fulfill additional revenue-producing or support tasks. We have implemented CUBS (an automated collections program system) to pursue various delinquent accounts. We are exploring utilization of CUBS to pursue delinquent Business Tax accounts as well.

We will be working closely with the Assessor, the Controller, and Controller's ISD to initiate a plan for implementing a proper, fully integrated tax system. The results should improve collections, and information available to the public, as well as enhance overall effectiveness. We are also achieving completion of the Local Area Network (LAN) migration from the Wang computer system and are implementing an aggressive training program as recommended in the Audit report.

For further information concerning progress on the individual recommendations of the Budget Analyst's Management Audit Report, please see the detailed explanations which follow:

SECTION I: Tax Collector General Operations

Section I.1: Accounting and Statements: (Page 31)

Centralized Accounting

Prior to the audit, the Tax Collector's Task Force Charlie identified numerous problems with the current accounting arrangement in a report which we shared with the audit team. To advance their recommendation of a centralized accounting system, three secondary task forces have been established:

Charlie II, addressing reconciliation, has identified those steps in the reconciliation process common to all sections. They are developing a report, now in the draft stage, setting forth recommendations for a common process.

Charlie III, targeting the check control process, has already begun to meet and is expected to report in very short order, probably as early as the end of February. An additional task force, as yet unnamed, will focus on delinquency billing. The delinquency billing task force is slated for second quarter of 1996.

Staffing

A Head Accountant was hired for the Business Tax section with the charge of revisiting and correcting any existing inefficiencies and reorganizing the unit as necessary in order to reach such goals as processing of Business Tax statements within 30 working days. He had just completed orientation and begun his task when he was displaced by a more senior city employee. All vacancies have now been filled or are in process. In the case of the Treasurer/Tax Collector Department, this means the release of audit and collections staff from essentially clerical tasks to revenue-producing activities.

We would like to register some serious concerns. Despite the fact that we have consistently submitted requests to hire in a timely manner, procedures which have existed until recently in the Mayor's Budget Office, plus short staffing and computer glitches at Human Resources Department, have caused long delays in the hiring process.

City departments are hampered in their efforts to hire competent, productive personnel by an archaic and ineffective civil service system. Job specifications are outdated, overly broad, and inadequate. Even though computers have been a major force in the workplace for a decade, candidate pools contain far too few candidates who are sufficiently prepared to perform their new duties.

This is a particular problem when workers, who have been laid off through downsizing, come into a new department. Such employees are often unskilled, inefficient and unproductive, which was the cause of their layoff in the first place. They have been allowed to slide through the system for years because the termination process is demanding and burdensome. Now, because of an increasingly stringent fiscal environment, departments are finally acting to remove these people from their rolls.

These employees often displace skilled, computer-literate employees and are frequently unable to function in their new duties. As a consequence, they require extensive retraining and considerable monitoring, taking supervisors away from more service and revenue-oriented tasks. When such employees are unable or unwilling to perform up to standard, despite every opportunity to improve their performance and their skills, the process of terminating them is seemingly insurmountable. Sometimes the termination effort is denied, usually on technical grounds. In the end, the department has no other option but to live with a non-productive employee or treat him/her like a hot potato, initiate lay-off procedures, and pass the problem on to another unsuspecting department where the whole scenario must be played out again. To say the least, this is not cost effective.

Departments need to be able to fill all vacant positions as soon as possible with competent and effective staff in order to operate at maximum efficiency. Obviously, there must be barriers to unfair and discriminatory practices, but in the main, the obstacles to removing incompetent and non-productive personnel must be minimized. Managers must be given the authority to deploy their resources as they see fit and, conversely, be held accountable for the results. All of these obstacles to optimum performance must be eliminated at the earliest possible time.

Controller's Information Services Division (ISD)

Short-staffing at ISD continues to present a serious impediment to their ability to respond to our needs. We continue to pursue such items as programming changes through weekly Issues meetings with ISD representatives. Additionally, monthly joint meetings including Controller, ISD, Assessor, and Tax Collector have been instituted to stimulate progress toward automation of Assessor's office, and more timely response to requests for programming changes. Members of Controller's ISD have indicated to us their need for increased resources. Presently the Treasurer/Tax Collector Department must devote large amounts of senior management time to assisting ISD in correctly evaluating priorities.

Revision of Tax Code

A task force including representatives from the Treasurer/Tax Collector's Office, the City Attorney's Office, and the Controller have been meeting often over the past six months in an attempt to rewrite the city tax code completely, making it easier to administer, closing existing loopholes and taking into account current technological advancements. A draft of common administrative provisions, including new administrative tools to quickly effectuate collection of delinquencies, has already been prepared and is under review. An important feature would allow investigators to issue citations to appear and give them the ability to file summary judgments. These two procedures would result in a reduction of the time necessary to seize assets.

The Tax Collector has authority under the present tax codes to utilize such identifiers as the social security number to obtain information. The Assessor has been urged to capture such identifiers under the new system presently being developed for her office for our mutual use.

Automation of Assessor's Office

The Tax Collector and the Deputy Tax Administrator are members of the Executive Steering Committee of the Integrated Property Assessor-Controller-Tax Collector (INPACT) systems project. This committee, newly revived by the Assessor, will oversee the eventual development and implementation of a new integrated property tax system. This system will serve the needs of the respective tax sections within the Tax Collection Division, as well as other City and County of San Francisco departments and taxpayers in general. The start-up phases of this project have already begun and will be well on their way this fiscal year. An intensified effort, focused on service deliverables, will take place in FY 96-97.

Section I.2: Automation (Page 33-47)

Automated Systems

Two Scantron machines have been acquired for use this filing period in the Business Tax section to enable speedier processing of a newly developed EZ Form. It appears from early experience that staff time necessary to input data is being reduced by approximately 50%. Operators are being rotated every few hours to keep the machines going full blast the entire nine hours of the business day. The effectiveness of this innovation will be evaluated at the completion of this cycle.

MIS Staffing

A major focus for the MIS unit has been migration of tax collection staff from a Wang to a LAN system, involving installation of hardware and software, plus staff training as available at ISD. MIS staff plus certain employees with highly developed computer skills have provided assistance to others, as needed, on an ad hoc basis. These "gurus" have provided much of the necessary assistance, because the MIS staffer was deeply involved in the implementation of CUBS, (the new collection system) and in the upkeep of the Business Tax System (BTS).

Though the Treasurer/Tax Collector Department is budgeted for three MIS positions, staff turnover resulted in a long term shortage in this unit, which consisted of one person who worked alone until October, 1995 when the 1818 MIS Specialist II came on staff. Procedures which have existed until recently in the Mayor's Budget Office, plus short staffing and computer glitches at Human Resources Department, caused long delays in the hiring process.

The requisition for the third position, 1874 Sr. Programmer Analyst, has just been released and it is expected that the new hire will be on board by March 1. The purpose of this position is to address the Business Tax issues referred to in the Budget Analyst's report. He/she will perform as BTS System Administrator and will maintain liaison with ISD on Business Tax issues.

Training

ISD training time is limited and we must compete with other departments for training slots. Our staff are trained on the screens and skills they need for their specific responsibilities. As these needs are expanded, training is updated accordingly. Managers are being trained in the use of Word, Excel, and Paradox as they are migrated to the LAN so that they better analyze data as they prepare reports for Senior Management. Additional training is presented on a continuous basis as new software is adopted, enhancements are implemented, and as staff replacements come aboard.

Unfortunately, our progress has been limited here, due to past administrative or legislative policies which result in training being the first item to be chopped out of any budget request.

Users groups for LAN, BTS and UPP systems.

Weekly meetings are held among senior managers, including the Tax Collector and the Deputy Tax Administrator and the users of the Business Tax System (BTS). These BTS subcommittee meetings address such topics as training needs and end user concerns. Priorities are established and acted upon, in order, as restricted resources permit. This group is the most knowledgeable concerning the way the system was designed and launched and, therefore, best able to make these kinds of decisions.

While we agree that user groups revolving around the other systems in the department, in which managers, line staff, and administrative staff participate, would be valuable for planning and communication, this has not yet been fully implemented.

System Security Policy

There is no question that employees need access to the tools necessary to perform their jobs. However, not all of the screens which comprise the BTS system are needed by every employee. It would not be cost effective to give each employee training in all screens. Initially, training on BTS was based on job function.

The decision to restrict functions at different levels was made based on the strong opinions and recommendations of the Controller's Internal Audits staff member who sat on the BTS Steering Committee and led a Security and Controls Task Force in which these decisions were made.

As needs change, either full or read-only access is given and training supplied. We are already observing this practice. In addition, the BTS Subcommittee on Security has been charged with the task of reviewing total security procedures and making recommendation to address any perceived changes. In January, 1996, ISD began to track the frequency of use of the various BTS screens with the intention of streamlining by consolidating or eliminating screens where feasible.

Computer Proficiency

Because we are increasingly dependent upon computers in our daily work, proficiency in their use contributes greatly to successful job performance. Computer proficiency has thus become an important aspect of successful job performance and is reflected in employee performance evaluations.

All new job announcements coming out of the Treasurer/Tax Collector Department now include computer proficiency under the section "Desired Skills." In the past, not even a minimal acquaintance with computers was included under the minimum requirements. As a consequence, individuals with years of seniority may be unable to come up to speed in spite of extensive training, perhaps because of technophobia, and no recourse is available to the employer because it was not an initial requirement.

Linked Databases.

Linked databases would be a significant productivity tool for all sections. Linking the BTS with UPP and License files was part of the original BTS design, in a module called *External Interfaces*. Funding difficulties, constraints imposed by I.S.D. as our service provider, and the

likelihood of a new property system database in the Assessor's Office have delayed this implementation. Monthly joint meetings including the Controller, ISD, the Assessor, and the Tax Collector have been instituted to stimulate progress toward the desired linkages and the automation of the Assessor's office.

Section I.3: Taxpayer Assistance. (Page 57)

Taxpayer Assistance Group

Establishment of a Taxpayer Assistance Group was an idea originally discussed in the Tax Collector's weekly management group meetings and was further developed in Task Force Bravo. A Bravo Implementation Task Force met and identified a location for this unit, and recommended personnel for specialized training; began arranging for physical renovation of the space and for such items as equipment hookups. It is expected that the unit will be fully functional by July 1.

The idea of self-service information kiosks also came out of Task Force Bravo. Meetings have been held with interested vendors and with the Alternative Technologies unit of ISD. Sample information has been provided to the AT unit so that a Request for Proposal can be developed. It is estimated that the cost of one work station and video hardware would be approximately \$10,000. Developing and taping a single informational video presentation and duplicating separate copies of the video with the audio in various appropriate languages would cost between \$7,000-\$9,000. It is anticipated that any potential vendor will do much of the research and development with a view toward entering other markets with this program.

Linked databases have been a goal of the Tax Collector's staff for several years, and meetings have already begun with appropriate parties to find ways to implement this goal. The suggestion of cross-training was first discussed in management group and further developed and recommended in Task Force Bravo. Such training has already begun with Taxpayer Assistance representatives from several sections and is slated to be presented to every single member of the department. Approximately fifty percent of the Department's employees have already participated in this training. Five two-day cross-training presentations have already been made to department personnel.

Consolidated billing is a thorny issue which involves such basic features as the need for a common identifier number such as the SSN or FEIN plus free exchange of information with other entities such as Franchise Tax Board or IRS. However, a task force to discuss these issues is set for second quarter of CY 96.

Recommendations concerning consumer surveys and feedback to management are being implemented in the new Taxpayer Assistance Group.

SECTION II: Consolidation and Separation of Licensing

Section II.1: Licensing (Page 78)

Legislative Change

The department is working closely with the City Attorney's office to effect necessary legislative changes and to identify sections to be included in new legislation. All affected ordinances have been identified and a committee has been meeting for several months, to solve some of the problems identified in the Budget Analyst's management audit report. The end result will be a significant overhaul of major sections of the Municipal Code including, in many instances, standardized due dates which can be included in consolidated bills.

This process is, in our opinion, a greater task than was originally envisioned by either the Budget Analyst or the Treasurer/Tax Collector Department.

Rent Stabilization and Arbitration fees have already been moved to the Property Tax bill for FY 95-96. The attachment of apartment houses, party wall structures and condominiums onto the Property Tax roll is in the implementation process. A meeting with the Department of Building Inspection (DBI) and their MIS staff has taken place to explore this issue and to have legislation prepared so that this can be implemented in FY 96-97.

Redeployment of Personnel

Elimination of the License section was one of the report recommendations. However, because a large number of ordinances and codes must be changed through the legislative process, as mentioned above, dissolution of the unit will occur in stages. After an initial assessment of the scope of the legislative change project and discussion with Supervisor Tom Hsieh, it was decided to rewrite all of the Business Tax areas first. This was clearly a top priority. It was decided not to address the License sections until Business Tax has been fully addressed. Funding was included in the FY 95-96 budget to pay the City Attorney's Office for their expert assistance. As a consequence of these decisions, it has been concluded that the functions presently performed by the Licensing section will need to be phased into other sections through FY 96-97.

The first step, redeployment of the 1408 Principal Clerk and 1630 Account Clerk to Property Tax has already occurred. One 1404 Clerk is already engaged in processing Hotel Tax for the Business Tax section. Some remaining staff will be redeployed to a new unit called Taxpayer Assistance and Licensing which is expected to be operational by July 1, 1996 and which will address the needs expressed in Section I.3 of the Budget Analyst's Management Audit Report. Other employees may be reassigned to other areas of collections.

Impact on Department

Many functions of the Licensing section must continue without interruption. The work of processing over 150 different fees and licenses will still exist. These functions cannot easily be reassigned without examining the larger picture of how the individual sections will be affected. For example, some businesses require multiple permits and licenses which are presently issued on different timetables.

Since, as the Budget Analyst has observed, there are no major shortcomings in the administering of licensing activities, consolidation of this function should be considered as a long range goal. Adding major changes to existing operations without completing and evaluating the success of our on-going restructuring program is not the immediate answer. The overall evaluative process has begun, but it may be some months before accurate conclusions can be drawn and an implementation schedule formulated. To hope that this would be completed within one year is optimistic.

Consolidated Billing

Another issue is movement toward consolidated billing which, among other things, involves synchronizing existing payment schedules. The Tax Collector agrees that the recommendation of combining billing activities for license fees is a desirable goal. We must take into account the direct impact of these recommendations on the ability of the Treasurer/Tax Collector Department to function and the effect that they will have upon taxpayer service and upon interacting departments.

Fee Collection Analysis

Attached is a table of licenses, prepared by the License section, of fees subject to collection and the possible linkages to the Property Tax or Business Tax sections. Many types of business activities which may require multiple permits or licenses are also listed.

Section II.2: Dog Licenses (Page 90)

Transfer of Dog Licensing

The Tax Collector feels that the proposed budget reduction is far too high and will adversely impact other aspects of the present License program, regardless of the final disposition of this unit. As noted in the previous section the work of processing over 150 different fees and licenses will still exist. It is reasonable to assume, however, that present employees may be reassigned to more pressing duties in other sections such as collections and the Taxpayer Assistance Unit as part of the Department's restructuring effort.

It should also be noted that much of the work involved in Dog Licensing has been performed by individuals who are not in the Tax Collector's budget. Until now, much of this work has been performed by individuals in the Mayor's Summer Youth program which has now been discontinued. No budgeted position has been allocated to this task.

The Department of Animal Control intends to assume all responsibilities for dog licensing. They are working on the costs involved in this transition and hope to include projected expenditures for this function in their budget for FY 96-97. Until such time as this is accomplished, the work will need to be carried on by existing License section personnel.

SECTION III: Business Taxes and Registration

Section III.1: Business Tax Auditing (page 111)

Collections Unit

The Budget Analyst's Management Audit Report suggests that auditing of unregistered accounts and large delinquent accounts are collection functions and should be pursued by a Collection Division. The Budget Analyst alleges that present practices cost the City large sums of money in lost revenue. The Tax Collector has directed that a task force be established to address and review the entire collections issue. It is scheduled for second quarter, 1996, following the annual budget preparation cycle.

Refined Audit Selection Criteria

The Chief Auditor, in collaboration with the Controller's ISD, is exploring a more carefully defined set of criteria for identifying audit subjects. Development of the actual criteria has already been completed and has been run 2-3 times in the testing process. Still in the testing stage is development of the audit assignment function and the audit results function.

By sharpening the audit focus, the Business Tax section can home in on those accounts which may be expected to yield the greatest results, given the resources available to pursue them. Furthermore, vigorous pursuit of delinquent accounts can have a positive effect on voluntary compliance in the future.

While the Business Tax section is in the process of implementing an "automated" prioritization system, the Bureau of Delinquent Revenue, the Investigations and Legal sections do have priorities in which they pursue delinquencies. The Bureau of Delinquent Revenue has formalized procedures in the collection manual.

Improve Internal Controls in Audit Assignments

Audit staff assignments have already been rotated and Alpha assignments will be re-evaluated to provide further variety. This will permit auditors to look at accounts with a fresh eye and prevent them from falling into the trap of making assumptions based upon familiarity and past history. Other internal control measures will be considered later. A major goal this year is development and enforcement of productivity standards for auditors as well as other personnel categories.

Accounting and Administrative Staff

The addition of six new positions was approved in the FY 94-95 budget for administrative and clerical staff in the Business Tax section. The new accounting and managerial staff have now been hired and the most recent of these is experiencing the probation period. The Chief Auditor agrees that through reorganization of various units in the Business Tax section, redirection of audit focus, automated audit selection, and utilization of a more efficient telephone system, audit billings can be improved. Relieving auditors of taxpayer assistance and account maintenance duties would enhance their ability to boost audit volume. The new management team has begun evaluation of assignments and work load throughout the section to revisit and correct any existing inefficiencies. Initial reorganizational moves have begun.

Audit Impact

	Current Month			Current Year		
	Dec. 94	Dec. 95	% of Increase	(Full Year) FY 94-95	(1st half)* FY 95-96	% of Increase
Deficiency Billings	\$ 219,113	\$1,376,382	629.0 %	\$5,557,064	\$6,809,836	123.0 %
Refunds Granted		(1,335)		(34,336)	(86,157)	
Net Audit Impact	\$ 219,113	\$1,375,047	628.0 %	\$5,522,728	\$6,723,679	122.0 %

* It should be noted that net audit impact for the first six months of FY 95-96 has already exceeded the amount for the entire FY 94-95 by \$1.2 million.

Analysis Of Proposed Tax Ordinances

Changes in tax legislation have had significant and far reaching effects on the Tax Collector's operation, as acknowledged by the analyst in the report. The Tax Collector has been charged with the implementation and execution of 21 new local ordinances during the three year period between February, 1992 and February, 1995, without any significant increase in staffing and, for the most part, with little previous consultation. Seventeen of these local ordinances were approved during the 15-month period from May, 1993 through July, 1994.

The Tax Collector's operation has been severely impacted in the past when new ordinances have been enacted without provision for funding the additional effort and without apparent thought as to what additional effort would be necessary. As a consequence, it has been necessary to divert personnel from revenue-producing activities to a crash program to set up systems, forms, procedures and training necessary to administer the ordinance. Because it is essential that the Treasurer and Tax Collector be consulted prior to major changes of this nature, the Tax Collector has been working with individual members of the Board of Supervisors and the City Attorney to establish the necessary lines of communication.

Section III.2: Review of City Park Audit (page 119)**City Park Audit**

After a careful review of the documents and work papers generated during the audit performed by the Business Tax Audit staff, the Tax Collector has concluded that the department used the correct methodology in arriving at their results. The review of parking operations at Candlestick Park was complex, time-consuming, and *forensic*. To insure that the audit was conducted with the highest degree of professionalism and integrity, the audit was conducted in full compliance with the U.S. General Accounting Office's (GAO) Auditing Standards. The results of the Business Tax audit of City Park's operations at the downtown San Francisco locations and at Candlestick Park were reasonable and fair, and based on sufficient, competent, and relevant evidence. The Tax Collector does not agree with the Budget Analyst's findings. The auditee has paid all amounts billed to them and the case is now closed.

Procedural Review

One of the tasks assigned to the new 1822 Administrative Analyst is to review existing audit procedural guides for accuracy, and update as needed. In-house training in audit procedures is an on-going activity. The Administrative Analyst has instituted a manual of current administrative decisions and applicable case law. The annual performance evaluation of the Principal Auditor includes such matters as the performance of the individual units reporting to him/her.

An audit team manager has been assigned the project of producing a Handbook of Uniform Standardized Apportionment Rules which should be ready by March 1.

Steps have been taken to implement an annual audit evaluation plan. This will allow Principal Auditors to better monitor the performance of each individual auditor on their teams. This, in turn, will serve as a performance evaluation tool for the Chief Auditor and senior management to use in evaluation of the performance of Principal Auditors, based upon their audit teams' audit performance. These individuals will be evaluated by looking at all aspects of their responsibilities, not just audit recovery.

Section III.3: Business Registration (page 132)

Building Survey

A Tax Collector Investigator has been assigned full time to do survey work in various parts of San Francisco. He began with a random sampling of locations to gain a better understanding of the scope of the problem. As a part of this effort, he surveyed buildings in various parts of the city to determine compliance. A more comprehensive report will be forthcoming, once a larger sampling has been taken.

Additionally, the Internal Revenue Service was contacted again by letter in July 1995, requesting a reciprocal agreement to exchange information concerning San Francisco taxpayers filing Schedule C with them. To date, no response has been received.

Section III.4: Taxicab Driver Status (page 137)

Status Of Drivers

In conformance with the recommendations contained in the Budget Analyst's Report, a survey of fifteen weighted questions was sent to six cab companies in San Francisco in an effort to determine the status of cab drivers as either independent contractors or employees. Only three responded. Another survey was sent to approximately 5,000 cab drivers with approximately 20% responding. Two separate checklists were created to better analyze the responses provided by the taxicab companies and cab drivers. The report on this survey will be available in another 2-3 weeks.

Staff is currently reviewing these responses and will make recommendations to determine the appropriate course of action.

The City Attorney has counseled that the Tax Collector has the ability to assess and collect back taxes for registration fees and business taxes. If cab drivers are classified as employees, the assessment of back taxes will be relatively simple. When the Tax Collector determines that the cab company is the employer, he can then apply the taxes against a relatively small number of cab companies that are easy to locate. However, if cab drivers are classified as independent contractors, problems will arise. Finding these taxpayers and collecting from them will be difficult. Some individuals may have relocated. Those that are found may not have the assets with which to pay back-tax liabilities.

In addition, if it is determined that cab companies are liable for the tax because they are employers, the large amounts of back taxes involved will almost insure that the companies will vigorously contest the application of the tax to them. Furthermore, even if the cab companies concede that they are employers, it is possible that they will then make modifications to their contracts with cab drivers in an effort to circumvent future tax liability.

Once the status of the cab drivers is determined and the recommendations reviewed, the Board of Supervisors and the Tax Collector will collaboratively decide on the best approach to take. The comprehensive survey and report of findings and recommendations, mentioned above, is in the process of preparation and will be forwarded to the Board of Supervisors by February 16.

SECTION IV: Collections

Section IV.1: Delinquent Collections Process: Business Tax (page 138)

Determinations

The Business Tax section estimates that 29.2% of businesses do not file an annual statement. The Tax Collector estimates their outstanding taxes and prepares a determination which is mailed to them. Businesses that would not owe any taxes because of the small business exemption are sent determinations slightly in excess of the exemption threshold of \$2,500. Because these estimates are overstated, receivables may be overstated as well.

Beginning with determinations for Calendar Year 1994, estimates were based on payroll only, rather than on payroll and/or gross receipts. This has reduced the volume of complaints from taxpayers who owe little or no taxes.

Effective with Calendar Year 1995 statement filings, taxpayers who do not file in a timely fashion will be sent determinations in June that are closer to the actual taxes owed rather than an inflated amount, as they would no longer be able to claim their small business exemptions. This should completely eliminate the complaint that determinations are inflated excessively.

Delinquency Assessments

Allegations have been made that the City and County of San Francisco loses vast sums of money annually because penalties are not assessed for each separate delinquency. In years past, relying on the advice of legal counsel, a maximum \$100 penalty was applied. The Municipal Code is not clear on whether separate penalties are cumulative in a single tax year, although a penalty is allowed for each instance of non-compliance by the taxpayer. With the new, higher penalty of \$500, the Business Tax section is proposing language that would clarify the penalty section of the Municipal Code as part of the redrafting effort.

A comprehensive survey and report is under preparation and will be forwarded to the Board of Supervisors by February 16.

Section IV.2: Consolidated Collections Process (page 165)

Consolidation Of Units:

Richard A. Sullivan, Tax Collector, charged a group of Division managers to review the portion of the Budget Analyst's report concerning consolidated collections and to report back to him with their opinions as to feasibility of the Budget Analyst's recommendations and proposals for either implementation or alternative courses of action.

The group was composed of Deputy Tax Collector Willie H. Ross; Andrew Bacigalupi, Chief Investigator; Robert Fletcher, Attorney Tax Collector; and William Quong, Director, Bureau of Delinquent Revenue. They made their review taking into account the Tax Collection Division's mission to collect revenues for the City and County of San Francisco while maintaining maximum control and adequate separation of duties of the respective sections under consideration.

The group concluded that the Legal section should not be included in any consolidation. It was their further opinion that the Investigations section could be merged successfully with the Bureau of Delinquent Revenue. The group reported these conclusions to the Tax Collector with the further recommendation that the current reporting structure for the Legal Division be retained, with senior management oversight, utilizing input from the City Attorney and others, on a formal basis.

The study group is preparing a written report to the Tax Collector with a draft implementation plan for the Tax Collector's review in mid February, 1996. The group advanced the opinion that this alternative proposal will ultimately benefit the City and County of San Francisco, by improving service to the taxpayer and at the same time making best use of limited resources.

Liens

Liens are already being placed automatically on all delinquent Unsecured Personal Property. The division is now placing liens on businesses that are delinquent as a consequence of audit determinations. Early impact from collections or establishment of payment terms for business liens are favorable. We anticipate expanding the use of this collection tool in FY 96-97, particularly in Business Taxes.

Other Recommendations

*The Division is in agreement with the other recommendations made by the Budget Analyst in this section but recognizes that most will need the approval of the Board of Supervisors before implementation is possible. The City Attorney has been requested to include all changes recommended in this section in redoing the Municipal Code, Part III that affect Business Taxes under our jurisdiction. We are currently reviewing a draft of the administrative provisions.

###

Attachments

TABLE OF LICENSES

PUBLIC WORKS DEPARTMENT

<u>CLASS</u>	<u>DESCRIPTION</u>	<u>LINKED TO PROPERTY TAX</u>	<u>LINKED TO BUS. TAX</u>	<u>NO LINKAGE</u>	<u>LINKED TO OTHER LICENSES/BUS TAX</u>
A04	APARTMENT HOUSES	x			
A05	PARTY WALL STRUCTURE	x			
A06	CONDOMINIUM	x			
A36	HOTEL			x	

FIRE DEPARTMENT

D02	COMPRESSED GAS STORAGE				x
D03	PORTABLE CONTAINERS				x
D04	PUBLIC ASSEMBLY		x		
D05	COMBUSTIBLES STORAGE				x
D07	BULK STORAGE (Aboveground)				x
D08	STATIONARY TANK (Underground)				x
D10	FLAMMABLE FINISHES				x
D11	VEHICLE PARKING GARAGE		x		
D12	VEHICLE PARKING LOT		x		
D13	SERVICE STATIONS		x		
D14	SELF-SERVICE STATIONS		x		
D15	MOVIE PICTURE/PUBLIC ASSEMBLY THEATRE		x		
D16	LUMBER STORAGE				x
D17	TANK VEHICLE, Dispensing				x
D18	LIQUIFIED PETROLEUM GASES, Stationary				x
D19	LIQUIFIED PETROLEUM GASES, Portable				x
D20	SPECIAL HAZARDS/Junk Yards,waste handling.				x
D21	SPECIAL HAZARDS/Oven/Drying/Baking				x
D22	SPECIAL HAZARDS/Tire Rebuilding				x
D23	VEHICLE REPAIR GARAGE		x		
D24	MINOR REPAIRS GARAGE		x		
D25	LIMITED SPRAY PAINTING				x
D26	STATIONARY TANK (Aboveground)				x

TABLE OF LICENSES

DEPARTMENT OF PUBLIC HEALTH

<u>CLASS</u>	<u>DESCRIPTION</u>	<u>LINKED TO PROPERTY TAX</u>	<u>LINKED TO BUS. TAX</u>	<u>NO LINKAGE</u>	<u>LINKED TO OTHER LICENSES/BUS TAX</u>
D01	FUMIGATION & FOGGING				x
D06	HAZARDOUS CHEMICAL				x
F01	FOOD PRODUCT & MARKETING (Over \$900 inventory)		x		
F01	ITINERANT VEHICLE (food, fish, etc.)		x		
F02	FOOD PRODUCT & MARKETING (Under \$900 inventory)		x		
F03	FOOD PREPARATION & SERVICE		x		
F05	FOOD PRODUCT & MARKETING-STADIUMS		x		
F06	FOOD PREPARATION & SERVICE-STADIUMS		x		
F07	FOOD PREPARATION & SERVICE-BOARDING HSE.		x		
F08	FOOD PREPARATION & SERVICE-SCHOOL		x		
F10	SALVAGE DEALERS		x		
F11	TATTOO PARLOR		x		
F12	PET SHOP		x		
F13	PET HOSPITAL		x		
F14	DOG KENNEL		x		
F15	PRIVATE AMBULANCES		x		
F16	SWIMMING POOL/SPA (YEAR ROUND)		x		
F17	VENDING MACHINES		x		
F18	STABLES		x		
F19	MEAT VEHICLES		x		
F20	AUTOMATIC LAUNDRY		x		
F21	HAND LAUNDRY		x		
F22	WASH LAUNDRY		x		
F23	CLEANING & DYEING WORK		x		
F24	GARBAGE TRUCK		x		
F25	WATER WELLS		x		
F26	CERTIFIED TESTER				x x
F27	SWILL TRUCKS				
F28	CARPET CLEANING		x		

TABLE OF LICENSES

DEPARTMENT OF PUBLIC HEALTH

<u>CLASS</u>	<u>DESCRIPTION</u>	<u>LINKED TO PROPERTY TAX</u>	<u>LINKED TO BUS. TAX</u>	<u>NO LINKAGE</u>	<u>LINKED TO OTHER LICENSES/BUS TAX</u>
F29	LAUNDRY DELIVERY SERVICE TRUCK		x		x
F30	SWIMMING POOL/SPA (6 MONTHS)		x		x
F31	MONITORING WELLS				
F32	TRANSFER STATION LARGE		x		x
F33	TRANSFER STATION MEDIUM		x		
F34	TRANSFER STATION SMALL		x		
TEMPORARY	CLASSES F01-F02-F03 Effec. 1-45 days				x
SPECIAL EVENTS	FOOD BOOTHS - \$25 1st day each booth; \$10 ea. booth thereafter for 21 days within 90 days				x

TABLE OF LICENSES

POLICE DEPARTMENT

<u>CLASS</u>	<u>DESCRIPTION</u>	<u>LINKED TO PROPERTY TAX</u>	<u>LINKED TO BUS.TAX</u>	<u>NO LINKAGE</u>	<u>LINKED TO OTHER LICENSES/BUS.TAX</u>
A45	MECHANICAL AMUSEMENT DEVICE		x		x
P01	AMUSEMENT PARK		x		
P02	DRIVERLESS AUTO RENTAL		x		
P04	LICENSED TOUR GUIDE		x		x
P05	MECHANICAL CONTRIVANCE		x		
P06	MUSEUM		x		
P07	PHOTOGRAPHER - PUBLIC PLACE (Owner)		x		
P08	PHOTOGRAPHIC SOLICITOR (Owner)		x		
P09	STREET PHOTOGRAPHER (Owner)		x		
P10	SHOOTING GALLERY		x		
P11	SKATING RINK		x		
P12	BILLIARD PARLOR		x		
P13	PHOTOGRAPHER - PUBLIC PLACE (Solicitor)		x		
P14	JUNK DEALER		x		
P15	STREET PHOTOGRAPHER (Solicitor)		x		
P16-10	TAXICAB		x		
P16-20	TAXICAB - PARATRANSIT		x		
P17	LIMOUSINE		x		
P18	PHOTOGRAPHIC SOLICITOR (Employee)			x	
P19	AUTO WRECKER				
P20	PUBLIC BATHHOUSE				
P21	CABARET				x
P22	DANCE HALL KEEPER				x
P23	PLACE OF ENTERTAINMENT				x
P24	JUNK GATHERER (Resident)			x	
P25	PAWNBROKER		x		x

TABLE OF LICENSES

POLICE DEPARTMENT

<u>CLASS</u>	<u>DESCRIPTION</u>	<u>LINKED TO PROPERTY TAX</u>	<u>LINKED TO BUS. TAX</u>	<u>NO LINKAGE</u>	<u>LINKED TO OTHER LICENSES/BUS. TAX</u>
P26	MASSAGE ESTABLISHMENT				
P27	BINGO GAMES		x		x
P28	MOBILE CATERER		x		x
P29	PEDDLER, FOOD		x		x
P30	PEDDLER, NON-FOOD				x
P32	PEDICAB OWNER		x		
P33	JITNEY BUS OWNER		x		
P34	JITNEY BUS DRIVER			x	
P35	ESCORT SERVICE (Owner)		x		
P36	ESCORT SERVICE (Employee)			x	
P37	ASSISTANT MOBILE CATERER			x	
P38	MASSEUR			x	
P39	MASSEUSE			x	
	MASSEUR OR MASSEUSE TRAINEE			x	
MANUAL	JUNK GATHERER (Non-resident)			x	x
P41	PEDDLER EMPLOYEE			x	
P42	TOW CAR DRIVER			x	
P43	DRIVER PUBLIC PASSENGER VEHICLE			x	
P44	OUTCALL MASSAGE SERVICE				
P45	PUSHCART PEDDLER		x		x
P47	VALET PARKING - FIXED LOCATION		x		x
P48	VALET PARKING - ANNUAL SPECIAL EVENT				x
P49	PEDICAB OPERATOR			x	
P50					

TABLE OF LICENSES

<u>CLASS</u>	<u>DESCRIPTION</u>	<u>LINKED TO PROPERTY TAX</u>	<u>LINKED TO BUS. TAX</u>	<u>NO LINKAGE</u>	<u>LINKED TO OTHER LICENSES/BUS. TAX</u>
P52 MANUAL	SECONDHAND DEALER/ANTIQUA SHOP (City) SECONDHAND DEALER (State) Department of Justice renewal fee		x x		x x x x
P53	BALL OR RING THROWING GAMES				
P55	ADVERTISING DISTRIBUTOR (Class A)		x		
P56	ADVERTISING DISTRIBUTOR (Class B)		x		
P57	ENCOUNTER STUDIO (Owner)		x		
P58	ENCOUNTER STUDIO (Employee)			x	
P59	FUNERAL PROCESSION ESCORT				x
P60	GENERAL SOLICITING AGENT		x		x
P61	INTERURBAN/SIGHTSEEING BUS		x		
P62	COMMERCIAL LOUDSPEAKER				
P63	MINIATURE GOLF COURSE		x		
P64	MOTORIZED RICKSHAW		x		
P65	NUDE MODEL-PUBLIC PHOTOGRAPHY (Owner)		x		
P66	NUDE MODEL-PUBLIC PHOTOGRAPHY (Employee)			x	
P67	VEHICLE FOR HIRE, NON-MOTORIZED		x		
P68	CHARITABLE PROMOTER		x		x
MANUAL	POKER				x
MANUAL	PUBLIC OUTCRY SALES				x
MANUAL	RECREATIONAL EQUIPMENT VENDOR		x		x
MANUAL	TAXICAB RADIO DISPATCH SERVICE		x		x
MANUAL	TRADE-IN DEALER		x		
MANUAL	DEALER IN FIREARMS AND AMMUNITION		x		x
MANUAL	BALLOON AND KITE ADVERTISING				x
MANUAL	DISCHARGE OF CANNON				x
MANUAL	CIRCUS				x
MANUAL	CIRCUS (Located at Civic Center)				x
MANUAL	ITINERANT SHOW (Per concession)				x
MANUAL	MASKED BALL				x
MANUAL	OFF-HELIPORT LANDING SITE				x
MANUAL	RODEO EXHIBITION/WILD WEST SHOW				x

TABLE OF LICENSES

<u>CLASS</u>	<u>DESCRIPTION</u>	<u>LINKED TO PROPERTY TAX</u>	<u>LINKED TO BUS.TAX</u>	<u>NO LINKAGE</u>	<u>LINKED TO OTHER LICENSES/BUS.TAX</u>
<u>MISCELLANEOUS</u>					
MANUAL	TRANSIENT MERCHANT/AUCTION			x	
MANUAL	CONCERT		x		x
MANUAL	EXHIBITION				x

FEB-09-1996 15:39

TAX COLLECTORS' OFFICE

4155547121 P.02/03

Office Of The Treasurer/Tax Collector

City and County of San Francisco

Mailing Address: P.O. Box 7426 ♦ San Francisco, CA 94120-7426

Street Address: 875 Stevenson Street, 2nd Floor ♦ San Francisco, CA 94103



MARY I. CALLANAN, Treasurer

Phone: (415) 554-4478

RICHARD A. SULLIVAN, Tax Collector

Phone: (415) 554-4470

MEMORANDUM

DATE: February 9, 1996

TO: Harvey Rose, Budget Analyst

THROUGH: Mary I. Callanan, Treasurer *mic*

FROM: Richard A. Sullivan, Tax Collector *RS*

RE: Progress Report -- Additional Statistics

As you requested, a brief summary of major impacts to date of our implementation of the Budget Analyst's recommendations:

Business Tax Section: Business Tax Audits:

Deficiency billings for the first half of FY 95-96 are up 123% over the full year of FY 94-95. The net audit impact for the first six months has already been an increase of \$1.2 million over the entire year of FY 94-95.

Collections by BDR:

Three Collections Officers began work on delinquent Business Taxes at the end of November, 1995. In just two and a half months, they have brought in \$205,446. We estimate, conservatively, that this will total \$400,000 by the end of the year. Some of their time has been spent closing out accounts of delinquent 1996 registrations, but they should be back up to speed shortly.

(It should be noted that one of the three left the department after only a week -- so this is the work of only two individuals. We have experienced the usual delays in hiring a new Collections Officer due to the exceptional slowness of the Civil Service system.)

(more)

Additional Statistics -- p.2Business Tax Registrations

Business Tax registrations for the first half of 1995 totalled \$7,160,504. The amount for 1996 to date is already \$8,006,900, an increase of \$856,396.

Investigations Section: Business Tax Audits:

In the first six months of FY 95-96, thirty-two audits were received and processed by the Investigations section, nine liens filed, and seventeen promissory notes signed by taxpayers. In addition, three paid in full and two were retired -- one because of bankruptcy and one because of a Business Tax review. As a result, \$100,388 has been collected.

Building Surveys

One Investigator has been assigned since December to doing business surveys in buildings in the downtown area by going door to door. Another investigator will be assigned within the next few weeks to join the effort. Four major sites were surveyed thus far. We are still processing the resulting data to see the revenue impact.

Approximate Increase To Date:

Item	Increase
Business Tax Audits	\$ 1,200,000
Collections by BDR	\$ 205,446
Business Tax Registrations	\$ 856,396
Investigations Section: Business Tax Audits	\$ 100,388
Total	\$ 2,362,230

We should note that we still have half of the fiscal year to go for further revenue production and that it appears that we are well on schedule. If you have any questions, please do not hesitate to call.



Memo to Budget Committee
February 14, 1996 Budget Committee Meeting

Item 3 - File 101-95-45

Departments: Fire Department
Department of Public Works (DPW)

Item: Ordinance appropriating \$1,600,000 of 1992 Fire Protection Bond interest earnings for ten capital improvement projects for the Fire Department.

Amount: \$1,600,000

Source of Funds: Interest earned from 1992 Fire Protection Bonds

Description: The proposed \$1,600,000 would be used by the Fire Department to provide additional funding for construction services involving facility upgrades for ten Fire Stations.

Comment: The DPW has requested that this item be continued to the Budget Committee Meeting of February 21, 1996, in order to allow the Department additional time to provide the budget details for the proposed supplemental appropriation. The Fire Department concurs with this request.

Recommendation: Continue the item to the Budget Committee meeting of February 21, 1996 as requested by the DPW.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 4 - File 101-94-76.2

Department: Chief Administrative Officer (CAO)
Convention Facilities Management Department

Item: Hearing to consider release of reserved funds, Chief Administrative Officer (Convention Facilities Fund) in the amount of \$165,300, for capital improvements for the Moscone Center.

Amount: \$165,300

Source of Funds: 1994 Lease Revenue Bond Proceeds
Convention Facilities Fund

Description: In March, 1995, the Board of Supervisors approved a supplemental appropriation ordinance (File 101-94-76) in the amount of \$32,117,349 for various capital improvement projects at the Moscone Center, including the construction of the Children's Place, that will be located on the roof of the Moscone Center. Of the \$32,117,349 previously appropriated, a total of \$22,973,794 was placed on reserve pending the selection of contractors, the MBE/WBE status of the contractors and contractor cost details. Subsequently, the Board of Supervisors released \$679,500 in reserved funds, leaving a balance of \$22,294,294 on reserve.

The Convention Facilities Management Department is now requesting a release of \$165,300 to fund capital improvements specifically for the Moscone Center. The requested reserved funds would be used for the following:

American with Disabilities Act (ADA) Locks - National Door Control - City-certified MBE firm (See Comment #2)	\$42,800
Painting - A & B Painting - City-certified MBE firm (\$26.16 hourly average rate)	<u>122,500</u>
Total	\$165,300

Comments: 1. The \$42,800 requested for locks would be used for the purchase of locks from National Door Control that are in compliance with ADA standards. According to Mr. Jack Moerschbaeher, Convention Facilities Director, based upon a survey that was completed by the Department of Public Works (DPW) and the Mayor's Office, the locks are required to be installed at wheelchair accessible heights for Moscone Center employees or else the City would face possible

BOARD OF SUPERVISORS
BUDGET ANALYST

litigation for not complying with ADA standards. Mr. Moerschbaeher reports that the locks would be installed by engineers who work for the Moscone Center operator during normal working hours. The current operator of the Moscone Center is Spectacor Management Group/Thigpen, Ltd./joint venture.

2. Mr. Moerschbaeher reports that the A & B Painting (City-certified MBE firm) was selected as the lowest most responsive bidder. Mr. Moerschbaeher reports that the contract was negotiated on a not to exceed basis, and includes costs for materials and supplies. Mr. Moerschbaeher indicates that this project would entail painting the moveable walls in the Moscone Center - South exhibit halls.

Recommendation: Release the reserved funds in the amount of \$165,300.

Item 5 - File 168-96-2

Department: Real Estate Department
Recreation and Park Department (RPD)

Item: Resolution authorizing a purchase agreement for the acquisition of real property located in Merced Heights described as the Brooks Park extension site, identified as City Assessor's Block 7075, Lots 32, 33, 34, and 35 for open space purposes and adopting findings pursuant to City Planning Code Section 101.1

Location: San Francisco Assessor's Block 7075, Lots 32, 33, 34, and 35 located on the western slope of Merced Heights between Brooks Park and Vernon Street.

Property Description: The proposed property consists of four 2,500 square feet unimproved hillside lots, or a total of 10,000 square feet. The proposed property is situated on the western slope of Merced Heights, between Brooks Park and Vernon Street, and would form an extension of Brooks Park upon acquisition. The proposed lots are owned jointly by (1) Mr. Robert and Mrs. Lois Kreuzberger and (2) Fidelity National Title Insurance Company for the benefit of the San Francisco State University Foundation, Mr. Anthony de Bellis, Mrs. Teresa de Bellis Francis, and Pecos Benedictine Monastery. According to Mr. Ken Chopping of the Real Estate Department, each of the two groups of owners described in Nos. 1 and 2 above own an undivided half interest in the subject four lots.

Amount: \$420,000, plus title insurance and escrow fees not to exceed \$3,000

Source of Funds: Open Space Acquisition and Park Renovation Fund

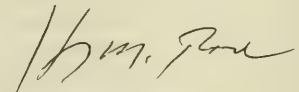
Comments: 1. The Recreation and Park Commission has approved the proposed property acquisition for Open Space purposes. Funds were originally appropriated in the Department's FY 1994-95 (\$300,000) and FY 1995-96 (\$123,000) budgets, for a total of \$423,000. Mr. Phil Arnold of the RPD advises that the ongoing maintenance costs for the subject four lots should be minimal, and will be absorbed within RPD's existing budget. In addition, Mr. Arnold advises that a community volunteer organization would be responsible for such projects as the restoring and preserving of the native plants growing on the subject four lots.

BOARD OF SUPERVISORS
BUDGET ANALYST

2. Mr. Chopping states that the purchase price of the property represents the current fair market value. Mr. Chopping reports that, as of FY 1995-96, the assessed valuation of the property to be acquired is \$121,432. Based on the 1995-96 Fiscal Year tax rate of \$1.164 per \$100 of assessed valuation, the annual taxes paid to the City on the property would be approximately \$1,413. Once the City purchases the property, such taxes would no longer be paid to the City. Mr. Chopping advises that prior to the anticipated close of escrow in April of 1996, the owners of the subject four lots would pay the City for delinquent taxes and penalties, in the combined amount of \$5,720.80 (see Attachment).

3. The City Planning Commission approved Resolution No. 13676 on April 28, 1994, and Resolution No. 13869 on May 4, 1995, which found that the Park and Open Space Fund programs for FY 1994-95 and FY 1995-96, which included acquisition of the subject four lots, were in conformity with the Recreation and Open Space Element of the Master Plan and with the Eight Priority Policies of the City Planning Code Section 101.1.

Recommendation: Approval of open space acquisitions is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Supervisor Teng
Supervisor Yaki
Clerk of the Board
Chief Administrative Officer
Controller
Sam Yockey
Pau Horcher
Ted Lakey

City and County of San Francisco

Real Estate Department

Office of the
Director of Property

MEMORANDUM

February 9, 1996

TO: Harvey Rose
Budget Analyst

FROM: Ken Chopping 
Real Property Officer

SUBJECT: City Acquisition of Brooks Park Extension
Block 7075 Lots 32, 33, 34, 35

Under the terms of the City's purchase agreement, the seller is to pay all general real estate taxes for all prior years at or before close of escrow. Our escrow instructions will state that all delinquent property taxes, delinquent penalties and costs, and redemption fees will be paid by seller at or prior to close of escrow, to the Tax Collector, Tax Redemption Bureau. We will also request First American Title to issue a check for the prorated current year tax, made payable to the Tax Collector. The City will not accept any title exception for taxes owing, and will not close before past taxes are satisfied.

Attached are current copies of the delinquent tax statements for each of the four lots.

If you require any further information, please call me at 554-9862.

AUG 27 1996

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MINUTES
SPECIAL MEETING
JOINT BUDGET/HOUSING AND LAND USE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

THURSDAY, FEBRUARY 15, 1996 - 1:00 P.M. ROOM 410, WAR MEMORIAL BLDG.
VETERANS BUILDING

MEMBERS: SUPERVISORS TOM HSIEH, CAROLE MIGDEN, BARBARA KAUFMAN,
SUE BIERMAN, MABEL TENG

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 12:15 P.M.

1. File 85-95-6. [Transbay Terminal] Resolution urging that Alternative One, Alternative Two, Alternative Three, Alternative Four, Alternative Five or Alternative Six be selected as the preferred alternatives for the City's Transbay Area Plan and be the Locally Preferred Alternatives for the purposes of the Joint Powers Board CalTrain Extension Environmental Impact Study; Recommending that the Joint Powers Board (JPB) pursue Townsend Street for the east-west alignment of CalTrain, work with impacted property owners along Townsend Street and with South Beach residents and property owners to minimize project impacts, that the Market/Beale Terminal Alternative be dropped, that the JPB select an underground terminal at the Transbay Terminal site, that JPB pursue full electrification of the CalTrain line, and consider clean diesel or liquefied natural gas, and that the CalTrain Storage Yard be placed at I-280/16th Street. (Supervisor Hsieh)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Stuart Sunshine, Office of the Mayor; Larry Badiner, City Planning Department; Ted Lakey, Deputy City Attorney; . IN SUPPORT: Dan McNamara, President, TRACK; Gerhard Stoll; Jim Haas, William Bodrug; Jerry Tone; Douglas Wright; Michael Alexander, SPUR, Transbay Area Task Force; . OPPOSED: John Holtzclaw, Sierra Club; Christian Peeples, RAFT; Norman Rolfe, SF Tomorrow; Michael Abbassi; Glenn Ray; Clark Manis, Bob Meyers. NO POSITION STATED: Sharon Banks, General Manager, AC Transit; Shelley Saleri; Reuben David Goodman.

ACTION: HEARING HELD. AMENDMENT OF THE WHOLE BEARING NEW TITLE PRESENTED BY SUPERVISOR HSIEH ON BEHALF OF THE MAYOR. SUPERVISOR HSIEH REQUESTED TO BE ADDED AS CO-SPONSOR. NEW TITLE: "Resolution indicating the Board of Supervisors preference for the Main and Beale Streets at Howard Street site as the location for a replacement facility to the Transbay Transit Terminal and indicating the Boards preference for an underground CalTrain terminal extension at the current Transbay terminal site and urging the Mayor to take those steps necessary, with CALTRANS, the Metropolitan Transportation Commission, and other parties as appropriate, to initiate project planning activities for a replacement transit terminal at the Main and Beale location and further urging the Mayor to urge the City Planning and Redevelopment staffs to continue the important Transbay Area Study land use planning effort, employing as assumptions that the existing Transbay Transit Terminal will be replaced with a new terminal at Main and Beale Streets." FURTHER AMENDED. ADD A WHEREAS CLAUSE TO READ: "The Board of Supervisors recognizes that the project planning process includes the environmental review of the preference referred to in this Resolution, as well as other alternatives, including a combined train and bus terminal at the site of the current Transbay Terminal." AMENDMENT OF THE WHOLE RECOMMENDED AS AMENDED. TO BOARD MEETING SCHEDULED FOR MARCH 4, 1996.

VOTE: 4-1. (Supervisor Kaufman absent.)

TIME MEETING ADJOURNED: 1:30 P.M.

CITY AND COUNTY



OF SAN FRANCISCO

DOCUMENTS DEPT.

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

FEB 15 1996

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February 13, 1996

TO: Joint Budget/Housing and Land Use Committee
FROM: Budget Analyst *Recommendations for meet*
SUBJECT: February 15, 1996 Joint Budget/Housing and Land Use Committee Meeting

Item 1 - File 85-95-6

Note: This item was continued by the Joint Budget/Housing and Land Use Committee at its meeting of January 18, 1996.

Department: San Francisco Planning Department
San Francisco Redevelopment Agency

Item: Resolution urging that an alternative be selected for the City's Transbay Area Plan and that such alternative be considered as the locally preferred alternative for the purposes of the Joint Powers Board CalTrain Extension Environmental Impact Study.

Description: *Project Objectives*
The Planning Department and the San Francisco Redevelopment Agency (SFRA) are currently developing a Transbay Area Plan and implementation program with the following objectives:

- 1) Maintain and enhance transit activities in the area;
- 2) Support a transportation system to meet local and regional needs into the 21st Century;
- 3) Guide the development of land in conjunction with local and regional transportation needs as identified in objectives 1 and 2.

From these objectives, the Transbay Area Plan will provide a basis for evaluating the following two sites for a Transbay Bus Terminal in downtown in San Francisco.

- 1) The site of the existing Transbay Terminal which is located between Fremont Street and First Street, at Mission Street; or
- 2) A new site in the vicinity of Main Street, Mission Street, Beale Street and Howard Street.

Project Background

The State Architect release a study in 1992 concluding that the Transbay Terminal building needed substantial upgrades to meet current seismic and other fire/life/safety codes. Ms. Gail Goldman of the San Francisco Redevelopment Agency (SFRA) and Mr. Larry Badiner of the Planning Department initially reported that, in current dollars, the cost to retrofit the existing facility to meet current seismic and other fire/life/safety code requirements is estimated between \$75 million and \$109 million. The Budget Analyst was subsequently advised by the Redevelopment Agency that Caltrans has significantly revised the estimate downward to retrofit the facility at between \$36 million to \$82 million. Mr. Badiner advises that the variation in Caltrans' estimate is attributable to variations in the seismic standards used, and the amount of the ramps repaired or replaced.

In December 1992, the Board of Supervisors approved a resolution, at the request of the Mayor, requesting that Caltrans work with the City to study alternatives for the rehabilitation of the Transbay Terminal and reconstruction of the nearby Terminal Separator Structure, which was the roadway which linked the Bay Bridge to the Embarcadero.

In 1994, responding to the requests of the Mayor and the Board of Supervisors, Caltrans and the City decided to fund the Transbay Area Plan and Implementation Program, which is a more detailed study of the Main/Mission/Beale/Howard site and a new and/or renovated terminal building on the existing site. The Transbay Area Plan is funded at an estimated cost of \$862,000, funded through the following funding sources: Caltrans (\$304,000), Redevelopment Agency (\$458,000), and the Planning Department (\$100,000) funded through the Department's General Fund budget.

In a separate but closely coordinated study with the Transbay Terminal Plan, the Peninsula Joint Powers Board (JPB) members from San Francisco, San Mateo and Santa Clara counties are also conducting a study to identify

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BUDGET ANALYST

fundable alternatives specifically analyzing the extension of CalTrain from its current terminal at Fourth and Townsend Streets to either of the Transbay Sites. The JPB is currently seeking input from the City and the Board of Supervisors regarding: 1) the most preferred configuration of a terminal at both sites, 2) alignment of the tracks and method of construction, 3) a preferred location for a CalTrain terminal and 4) a determination of where CalTrain goes underground.

The JPB consists of nine members, three of which represent the City and County of San Francisco. One member is an appointment of the Mayor, one is an appointment of the Board of Supervisors and one is an appointment of the Public Transportation Commission (PTC).

Throughout the past year, the San Francisco Planning Department and the San Francisco Redevelopment Agency (SFRA) have worked closely with various local citizen groups including the Citizens Advisory Committee, Technical Advisory Committee and the Policy Advisory Committee to define a number of alternatives.

City Staff from the SFRA, the Planning Department and the Mayor's Office, along with the JPB, have made joint presentations before the City Planning Commission, the Redevelopment Commission, the Public Transportation Commission, and the Board of Supervisors during November and December 1995. Ms. Goldman reports that these Commissions have selected Alternative #5 as the preferred alternative. Further presentations will also be made to the various local and regional citizen groups. The purpose of these presentations will be to reach consensus on the location and general configuration of a Transbay Bus Terminal.

Project Alternatives and Costs

The alternatives identified by the Transbay Area Plan are summarized on the Attachment, and are briefly described below. The estimated total costs identified below include capital costs for demolishing ramps to and from the Transbay Terminal and CalTrain's capital costs. The estimated capital costs do not include the demolition of the existing Transbay Terminal which is estimated to cost \$10 million.

The following cost estimates are for capital costs only, and include neither operating costs nor the estimated \$10 million cost for the demolition of the existing facility.

Alternative 1 - Transbay Short Alternative

Bus Capital Costs	\$145 million
CalTrain Capital Costs	<u>524 million</u>
Estimated Total Capital Costs	\$669 million

Alternative 1 would use the existing Transbay Terminal site (for both the bus terminal and the CalTrain station), located between Fremont Street and First, at Mission Street, as the location of a terminal, with CalTrain using one level underground, directly beneath the terminal building. This alternative would provide a total of 46 bus spaces in two levels into direct ramp access to the Bay Bridge, which meets the transit operator's requirements regarding the minimum number of spaces at the Transbay Terminal. MUNI buses would be accommodated at an on-street facility located at the terminal between Fremont and Beale Streets. As identified in the Transbay Area Plan, the benefits of this proposed alternative are the following: 1) convenient passenger connections to BART and MUNI, 2) fewer streets would be crossed than the existing terminal, thereby opening up views on Fremont and Beale Streets. This alternative would require a temporary terminal during construction.

Alternative 2 - Transbay Medium Alternative

Bus Capital Costs	\$148 million
CalTrain Capital Costs	<u>524 million</u>
Estimated Total Capital Costs	\$672 million

Alternative 2 would utilize the existing site (as does Alternative 1) of the Transbay Terminal, between both First and Fremont Streets at Mission Street. The bus terminal building would be approximately the same size as the existing Terminal, and would consist of two bus levels with direct ramp access to the Bay Bridge above ground floor passenger services and retail space. CalTrain would be underground in this alternative (similar to Alternative 1). A street level facility located between Fremont Street and Beale Street would accommodate MUNI buses. An underground concourse would connect the new terminal to BART and MUNI on Market Street. A total of 49 bus spaces on the two levels would meet the transit operators' minimum requirement of 46 spaces. The primary benefit of Alternative 2 is that the bus levels would have a central passenger waiting area. However, because of the Terminal's proposed length and the view blockage which it creates, this alternative would be an impediment to the development of Folsom Street. Alternative 2 would require a temporary terminal facility during the demolition of the existing terminal.

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Alternative 3 - Transbay Long Alternative

Bus Capital Costs	\$129 million
CalTrain Costs	<u>460 million</u>
Estimated Total Costs	\$589 million

Alternative 3 would use the existing Transbay Terminal site (for both the bus terminal and the CalTrain station), although the proposed structure would be significantly longer and higher than the existing terminal, spanning First, Fremont and Beale Streets. The proposed structure would consist of ground floor passenger services and retail space, a second floor CalTrain Station (routing trains through an aerial structure) and a single bus level above the CalTrain level. A mezzanine level between the CalTrain and bus levels of the terminal would be needed to facilitate passenger movement and provide easy transfer between rail and bus modes. An underground concourse would connect the new terminal with BART and MUNI lines under Market Street. 48 bus spaces would be provided, which exceeds the transit operators' requirements of 46 spaces. However, given the height and length of the proposed structure, extensive building design would be necessary and the length of the structure would be an impediment to the development of Folsom Street, noise from the trains would impact upon the surrounding area, and a temporary structure during construction would be needed.

Alternative 4 - Main Beale North Alternative

Bus Capital Costs	\$138 million
CalTrain Costs	<u>540-744 million</u>
Estimated Total Costs	\$678-882 million

Alternative 4 would relocate the existing Transbay Terminal to Howard Street between Main and Beale Streets, consisting of two bus levels over the ground floor retail and passenger services, with a pedestrian entry place extending to Mission Street. The CalTrain station would be located beneath Beale Street parallel to the bus station. This Alternative would provide a total of 52 spaces, in two bus levels with direct ramp access to the Bay Bridge, which exceeds transit operators' requirements. The benefits of this proposed alternative includes the following: 1) direct passenger connection from CalTrain to the bus terminal, 2) transit operator requirements of 46 spaces would be exceeded, 3) the existing terminal could be used during construction, and 4) land vacated by the existing terminal may be developed as commercial.

Alternative 5 - Split Bus/CalTrain terminals

Bus Capital Costs	\$145 million
CalTrain Cost	<u>535 million</u>
Estimated Total Capital Costs	\$680 million

Alternative 5 would provide for the same location as Alternative 4, relocating the existing bus terminal to Howard Street between Main and Beale Streets. However, Alternative 5 would provide for a different location and configuration of the CalTrain station. This Alternative would provide for the CalTrain station to be located underground the existing Transbay Terminal. The primary benefit would be separating the construction of the bus and train allowing this bus terminal to proceed independently from the train. The bus and train terminals will be connected at Beale Street.

Alternative 6 - Main/Beale Surface Alternative

Bus Capital Cost	\$25 million
CalTrain Capital Cost	<u>534-744 million</u>
Estimated Total Capital Costs	\$559-\$769 million

Alternative 6 would provide for the relocation of the terminal onto both sides of Howard Street between Main and Beale Streets. This Alternative would consolidate all bus operations and passenger services in a covered ground floor terminal that includes an entrance lobby. Pedestrian bridges would span Howard and Beale Streets connecting the entrance lobby and the various bus operators. The CalTrain station would be located beneath Beale Street, thereby allowing direct passenger connection to the bus terminal above. MUNI would be located north of Howard Street and across Beale Street, accessible to the terminal building by way of an elevated pedestrian bridge spanning Howard Street. This alternative would clearly impair pedestrian access to and from the terminal, and would result in increased traffic congestion, as buses would be required to flow constantly around the terminal. Alternative 6 would have increased operating costs for AC Transit by approximately \$1 million annually. In addition, this alternative would only provide 35 spaces, not meeting the transit operators' requirements of 46 spaces. The benefit of this alternative would be that the existing Transbay Terminal could be used as a temporary terminal until the new terminal is constructed. Also, this alternative has the least estimated capital costs associated with it.

Comments:

1. City staff from the Mayor's Office, the SFRA and the Planning Department are recommending Alternative #5 for the project, with capital costs estimated be \$145 million for Bus costs and \$535 for CalTrain costs or a total of \$680 million for both the bus terminal and the CalTrain Station. According to Ms. Goldman, Alternative 5 is being recommended by the City staff primarily because of the following reasons: 1) the proposed terminal would cross only Howard Street, 2) Alternative 5 would take advantage of paralleling the Fremont Street auto ramp, thereby reducing the impacts of ramps crossing streets, 3) no temporary bus terminal would be required during construction, 4) development to the area of the south would be encouraged, and 5) less construction coordination would be required with CalTrain.

2. Ms. Goldman and Mr. Larry Badiner of the Planning Department indicate that the capital financing plan for the proposed replacement of the Transbay Terminal has not yet been developed, including whether any local funding would be required, such as tax increment funds or General Fund monies. The potential costs that the City could incur are both operating and capital costs for the proposed CalTrain station (recommended to be located underground at the existing Transbay Terminal site), and for the proposed bus terminal (recommended to be located at Howard Street between Main and Beale Streets).

3. Approximately 40 percent of CalTrain's operating cost are recovered through fares resulting in a 60 percent annual operating deficit. The annual Federal subsidy is subtracted from the 60 percent deficit. The balance of the operating deficit, after subtracting the Federal subsidy is, under the current provisions of the JPA, borne by the Counties of San Francisco, San Mateo and Santa Clara based on their respective ridership. The current share of San Francisco is 11.8 percent for the operating deficit, for San Mateo County it is 50.7 percent and for Santa Clara County it is 37.5 percent. According to cost estimates provided by the Joint Powers Board (JPB), the current estimated operating deficit for CalTrain (less revenues and Federal subsidies) and the estimated increase in the operating deficit (less revenues and Federal subsidies) for Alternative #5 are as follows:

Estimated Cost to Counties for CalTrain's
Annual Operating Deficit

	San Francisco (11.8%)	San Mateo (50.7%)	Santa Clara (37.5%)	Total
FY 95-96 Share of Operating Deficit	\$3,004,516	\$12,909,234	\$9,548,250	\$25,462,000
Alternative #5 Share of Operating Deficit	<u>3,520,819</u>	<u>15,127,587</u>	<u>11,189,043</u>	<u>29,837,449</u>
Projected Increase over Existing Operating Deficit	\$516,303	\$2,218,353	\$1,640,793	\$4,375,449

The estimated increase in the operating deficit assumes the current level of service and riders. Therefore, potential additional revenues resulting from relocating the CalTrain station to a central downtown location may increase the number of riders, and somewhat offset the projected increase in the operating cost deficit.

4. According to operating cost estimates for the bus terminal, as provided by Mr. Badiner, the City's estimated increase in annual operating costs for Muni are projected to be \$160,500 for each of the six alternatives. According to Mr. Badiner, this increase in costs is primarily attributable to the net change in annual service hours, miles operated and equipment (assumes buses would no longer travel on 1st Street, but would travel on Fremont and Beale Streets). Mr. Badiner notes that Alternatives #4 and #5 could also provide for Muni and other transit operators to use a transit "mall" area, to be located adjacent to the proposed terminal. Mr. Badiner reports that utilizing a transit "mall" on Beale Street would reduce the traffic impact from vehicles traveling on 1st Street and Fremont Street which are accessing the Bay Bridge. However, Mr. Badiner estimates that the annual operating cost increase for Muni for a "transit mall" would be \$897,300, which is \$736,800 greater than the estimated \$160,500 in annual Muni operating cost increases (for each of the six alternatives) using surface streets. Mr. Badiner adds that there could be a reduction in overtime costs if Muni buses operate in a more timely manner than at the current terminal site.

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BUDGET ANALYST

5. Therefore, the estimated increase in total annual operating costs for San Francisco for the proposed Alternative #5 are \$676,303, consisting of \$516,303 for San Francisco's share of CalTrain and \$160,500 for Muni (assuming that Muni buses would use Fremont and Beale streets, rather than the "transit mall").

6. As noted, the capital financing sources estimated at \$680 million for Alternative 5 have not yet been specified. According to Mr. Michael Traflet of the JPB, a Capital Contingency Fund (CCF) which was established by the JPB, typically only pays for routine CalTrain capital expenditures. Mr. Traflet explains that routine CCF expenditures are shared equally (one-third) between the three member Counties. However, according to the existing provisions of the JPB, capital cost allocations for expansion projects, such as the CalTrain relocation project, would be determined on a case by case basis, and such capital costs would be shared based upon a formula agreed to by the JPB and its members. Mr. Badiner indicates that the Metropolitan Transportation Commission's 1994 Regional Transportation Plan, which sets forth funding for all regional transportation projects, divided capital costs among the three counties as follows: San Francisco (15 percent), San Mateo (50 percent) and Santa Clara (35 percent). Both the CalTrain terminal and the bus terminal projects will utilize a variety of funding sources, including Federal, State and local (e.g. bridge tolls).

7. The proposed resolution would urge that one of these six alternatives be the City's locally preferred alternative for purposes of the Joint Powers Board CalTrain Extension Environmental Impact Study. After consensus is reached on the locally preferred alternative, the proposed resolution would include a specification of the preferred alternative.

8. Ms. Goldman reports, however, that the Citizens Advisory Committee (CAC) is currently deadlocked over which alternative should be the locally preferred alternative, except that the citizen groups of the CAC and the Technical Advisory Committee have agreed not to select Alternative 6 which would cost a total of between \$559 and \$769 million.

9. The locally preferred alternative would be decided by the Transbay Policy Advisory Committee (consisting of representatives from the Metropolitan Transportation Commission and other regional transit operators) for the Bus terminal and the locally preferred alternative would be decided by the Joint Powers Board for CalTrain. However,

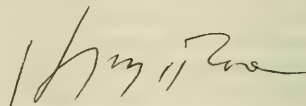
BOARD OF SUPERVISORS
BUDGET ANALYST

according to Ms. Goldman, both bodies are looking to the Board of Supervisors to state the City's position of the preferred alternative for the Bus Terminal and the Train Terminal.

10. The Transbay Policy Advisory Committee has proposed that a joint operating authority be created consisting of the City, Caltrans, AC Transit and the JPB. According to Mr. Badiner, no decision has been finalized.

11. The Joint Powers Board (JPB) has selected an underground terminal at the Transbay Site for continued study as part of its on-going environmental review of the CalTrain Downtown Terminal Extension Project. Mr. Badiner reports that a transbay underground terminal is consistent with Alternative #1 (Transbay Short) and Alternative #5 (Split Bus/CalTrain terminals), which City staff recommends as the preferred alternative.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Migden
Supervisor Kaufman
Supervisor Bierman
Supervisor Teng
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Kennedy
Supervisor Leal
Supervisor Yaki
Clerk of the Board
Chief Administrative Officer
Controller
Sam Yockey
Paul Horcher
Ted Lakey

Capital Costs (In Millions - 1995 Dollars)				Operating Efficiency / Passenger Experience				Code Upgrade of Existing Building			
Bus Costs (1)				Dedicated Bus access from Bridge to Terminal?				\$13-47 for Bldg. (10) \$62 for new ramps No Train \$75-189			
CalTrain Costs (3)				AC Transit Bus Spaces Located on One Level?				Yes 30 of 30 41 Narrow None 950 feet None Adjacent No No			
Total Costs (4)				Total Number of Bus Spaces				No 21 of 21 35 Narrow Varies 1300-1770 feet 0-1770 feet Adjacent Yes Yes			
				Bus Passenger Platform Type? (6)				Yes 24 of 30 52 Circular Partial Vertical (8) 950-1770 feet 950 feet Vertical Yes Yes			
				Bus to CalTrain Connectivity				Small Footprint None None None None Discourages Develop. Yes			
				Bus to Market Street Connectivity				Large Footprint + billoop First, Fremont Beale (2X), Fremont, First, Howard,			
				CalTrain to Market Street Connectivity				Discourages Develop. Yes			
				Muni Bus Connectivity				Probably No CalTrain			
				Encourages Increases in Transit Ridership							
				Separates Auto/Surface Bus Traffic							
Urban Design											
Building Site Size											
Streets Crossed by Building											
Streets Crossed by Bus and/or Train Ramps (9)											
Land Use											
Terminal Retail Development Potential											
General Land Use Impacts											
Does Terminal Cause Wall Effect?											
Construction Phasing											
Is Interim Bus Terminal Needed?											
Bus & Train Projects Independent?											

NOTES:

- (1) Includes demolition of ramps.
- (2) Does not include foundations since CalTrain under Bus terminal would construct foundations.
- (3) CalTrain cost assumes clean diesel with portal at Filthy Townsend.
- (4) Does not include the cost of demolishing existing Transbay Terminal, about \$10 million.
- (5) Option 1 = \$540; Option 2 = \$594; Option 3 (All four tracks to Market Street) = \$744.
- (6) Circular provides more room for public gathering.
- (7) Full vertical indicates that bus terminal be located directly above CalTrain Terminal.
- (8) Partial vertical indicates that bus terminal and CalTrain Terminal would intersect.
- (9) Ramps used for both automobile and bus traffic are not included.
- (10) Adjustments would be needed to Transbay Terminal.
- (11) Ramp costs estimated by Parsons Brinkerhoff.

MINUTES
REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

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WEDNESDAY, FEBRUARY 21, 1996 - 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE, ROOM 410

MEMBERS: SUPERVISORS HSIEH, KAUFMAN, BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:01 P.M.

HEARINGS

1. File 100-95-12. [Joint Report of Controller and Budget Analyst] Hearing to consider the joint report of the Controller and Budget Analyst, estimating the long-term budget impacts federal cuts will have on San Francisco's budget over the next seven (7) to nine (9) years. (Supervisor Hsieh)

(Consideration Continued from 2/14/96)

SPEAKERS: None.

ACTION: CONSIDERATION CONTINUED TO MARCH 6, 1996, MEETING.

VOTE: 2-1. (Supervisor Bierman absent.)

2. File 200-96-1.2. [J. C. Decaux Contract] Hearing to review the contract between J. C. Decaux and San Francisco with regard to compliance with the requirements of the agreement. (Supervisors Kaufman, Alioto)

SPEAKERS: IN SUPPORT: Henry Karnilowicz, Occidental Express. OPPOSED: None.

ACTION: CONSIDERATION CONTINUED TO FEBRUARY 28, 1996, MEETING.

VOTE: 2-1: (Supervisor Bierman absent.)

GENERAL ITEM

3. File 82-96-2. [Temporary Construction Easement] Resolution authorizing the City and County of San Francisco to acquire, on behalf of the Department of Public Works, a temporary construction easement through a portion of the real property identified as Assessor's Parcel No. 4347A/1/2 and to adopt findings pursuant to City Planning Code Section 101.1. (Real Estate Department)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst.
IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 2-1. (Supervisor Bierman absent.)

FISCAL ITEMS

4. File 101-95-45. [Appropriation, Fire Department] Ordinance appropriating \$1,600,000, Fire Department, of 1992 Fire Protection Bond interest earnings, for a capital improvement project (design and architectural projects for various Fire Stations), for fiscal year 1995-96. (Controller) RO #95117

(Consideration Continued from 2/14/95)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Peter Wong, Project Manager, Bureau of Architecture, Department of Public Works; Assistant Chief James Lynch, Fire Department. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Place a reserve on \$558,000. AMENDED TITLE: "Ordinance appropriating \$1,600,000, Fire Department, of 1992 Fire Protection Bond interest earnings, for a capital improvement project (design and architectural projects for various Fire Stations), for fiscal year 1995-96; placing \$558,000 on reserve."

VOTE: 2-1. (Supervisor Bierman absent.)

5. File 101-95-51. [Appropriation, Police Department] Ordinance appropriating and rescinding \$31,690, Police Department, of General Fund salaries for the creation and deletion of one (1) position for fiscal year 1995-96 (reclassify Class 9205A, Communications Coordinator). (Supervisor Shelley) RO #95158 (COMPANION TO THE FOLLOWING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Ms. Mindy Linetzky, Legislative Aide to Supervisor Shelley; Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Reduce appropriation to \$25,352. AMENDED TITLE: "Ordinance appropriating and rescinding \$25,352, Police Department, of General Fund salaries for the creation and deletion of one (1) position for fiscal year 1995-96 (reclassify Class 9205A, Communications Coordinator)."

VOTE: 2-1. (Supervisor Bierman absent.)

6. File 102-95-14. [Salary Ordinance Amendment, Police Department] Ordinance amending Ordinance No. 256-95 (Annual Salary Ordinance, 1995/96) reflecting the creation of one (1) position, 8245N Communications Manager SFPD and the deletion of one (1) position, 9205A Airport Communications Coordinator. (Supervisor Shelley) (COMPANION TO THE PRECEDING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Ms. Mindy Linetzky, Legislative Aide to Supervisor Shelley; Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 2-1. (Supervisor Bierman absent.)

7. File 101-95-53. [Appropriation, Police Department] Ordinance appropriating and rescinding \$380,942, Police Department, of General Fund salaries for the creation and deletion of twelve (12) positions for fiscal year 1995-96. (Controller) RO #95154 (COMPANION TO THE FOLLOWING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Deputy Chief Welch, S.F. Police Department. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 2-1. (Supervisor Bierman absent.)

8. File 102-95-13. [Salary Ordinance Amendment, Police Department] Ordinance amending Ordinance No. 256-95 (Annual Salary Ordinance, 1995/96) reflecting the creation of twelve (12) positions (Classifications Q60N Lieutenant (11), 0395N Assistant Chief of Police (1), and the deletion of twelve (12) positions (Classifications Q50A Sergeant (11), 0400A Deputy Chief (1). (Department of Human Resources) (COMPANION TO THE PRECEDING FILE)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Deputy Chief Welch, S.F. Police Department. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 2-1. (Supervisor Bierman absent.)

9. File 101-95-54. [Appropriation, Police Department] Ordinance appropriating \$183,200, Police Department, of Narcotics Forfeiture and Asset Seizure Funds to purchase laboratory equipment for fiscal year 1995-96. (Controller) RO #95155

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Place \$183,200 on reserve. AMENDED TITLE: "Ordinance appropriating \$183,200, Police Department, of Narcotics Forfeiture and Asset Seizure Funds to purchase laboratory equipment for fiscal year 1995-96; placing \$183,200 on reserve."

VOTE: 2-1. (Supervisor Bierman absent.)

10. File 101-95-55. [Appropriation, Police Department] Ordinance appropriating \$50,000, Police Department, of Narcotics Forfeiture and Asset Seizure Funds for the purchase of portable radios for fiscal year 1995-96. (Controller) RO #95139

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: TABLED.

VOTE: 2-1. (Supervisor Bierman absent.)

11. File 101-95-52. [Appropriation, Registrar of Voters] Ordinance appropriating \$195,195, Registrar of Voters, from the General Fund Reserve for salaries, fringe benefits, other current expenses and equipment for the creation of one (1) position for fiscal year 1995-96. (Controller) RO #95146 (COMPANION TO THE FOLLOWING FILE)

SPEAKERS: None.

ACTION: CONSIDERATION CONTINUED TO FEBRUARY 28, 1996.

VOTE: 2-1. (Supervisor Bierman absent.)

12. File 102-95-11. [Salary Ordinance Amendment, Registrar of Voters] Ordinance amending Ordinance No. 256-95 (Annual Salary Ordinance, 1995/96) Registrar of Voters, reflecting the creation of one (1) position (Classification 1819N, MIS Specialist III) (Department of Human Resources) (COMPANION TO THE PRECEDING FILE)

SPEAKERS: None.

ACTION: CONSIDERATION CONTINUED TO FEBRUARY 28, 1996.

VOTE: 2-1. (Supervisor Bierman absent.)

13. File 101-95-56. [Appropriation, Airport] Ordinance appropriating \$14,188,100, Airport, of interest earnings from various capital improvement projects (Five-Year Capital Projects Plan and Master Plan Projects), for fiscal year 1995-96. (Controller) RO #95153

SPEAKERS: None.

ACTION: CONSIDERATION CONTINUED TO FEBRUARY 28, 1996.

VOTE: 2-1. (Supervisor Bierman absent.)

14. File 101-95-58. [Appropriation, Airport] Ordinance appropriating \$801,000, Airport, of Narcotics Forfeiture and Asset Seizure Fund Revenues to purchase equipment to enhance the Narcotics Interdiction Program for fiscal year 1995-96. (Controller) RO #95116

SPEAKERS: None.

ACTION: CONSIDERATION CONTINUED TO FEBRUARY 28, 1996.

VOTE: 2-1. (Supervisor Bierman absent.)

15. File 170-96-1. [Airport Revenue Bonds] Resolution approving the issuance of up to \$82,300,000 aggregate principal amount of San Francisco International Airport Second Series Revenue Bonds for the purpose of financing the Master Plan Mitigation Noise Insulation Program in accordance with the Master Plan Mitigation Memorandum of Understanding, together with certain infrastructure projects at San Francisco International Airport. (Airports Commission)

SPEAKERS: None.

ACTION: CONSIDERATION CONTINUED TO FEBRUARY 28, 1996.

VOTE: 2-1. (Supervisor Bierman absent.)

TIME MEETING ADJOURNED: 1:34 P.M.

ADDENDUM

CALENDAR

HEARING

- 2A. File 200-96-1. [Public Toilet, Kiosks, JC Decaux Company] Hearing to consider the J. C. Decaux Company's kiosks as it relates to disability access issues and compliance with the contract between the City and J. C. Decaux. (Supervisor Bierman)

SPEAKERS: IN SUPPORT: Henry Karnilowicz, Occidental Express. OPPOSED: None.

ACTION: CONSIDERATION CONTINUED TO FEBRUARY 28, 1996, MEETING.

VOTE: 2-1. (Supervisor Bierman absent.)

[REDACTED]

10-07

CITY AND COUNTY



OF SAN FRANCISCO

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BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

FEB 21 1996

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February 16, 1996

TO: Budget Committee

FROM: Budget Analyst *Re: [illegible]*

SUBJECT: February 21, 1996 Budget Committee Meeting

Item 1 - File 100-95-12

Note: This item was continued by the Budget Committee at its meeting of February 14, 1996.

This item is a hearing concerning the long-term budget impacts that Federal budgetary reductions will have on the budget of the City and County of San Francisco over the next seven to nine years.

The Controller and the Budget Analyst will orally advise the Committee on any updated information obtained regarding the impacts which pending Federal budgetary reductions will have on San Francisco.



Items 2 and 2A - Files 200-96-1.2 and 200-96-1

Item: Item 2 - File 200-96-1.2 Hearing to review the contract between J.C. Decaux and San Francisco with regard to compliance with the requirements of the agreement.

Item 2a - File 200-96-1 Hearing to consider the J.C. Decaux Company's toilets and kiosks as they relate to disability access issues and to compliance with the contract between the City and J.C. Decaux.

Description: In August of 1994, the Board of Supervisors approved a final, amended contract between the City and J.C. Decaux United Street Furniture (Decaux) to provide for the placement of public toilets on public property in San Francisco in exchange for granting to Decaux the right to place public service kiosks on public property and to sell advertising on those kiosks (File 115-93-8.1).

Major provisions of the contract between the City and J.C. Decaux are as follows:

- There will be two year trial period during which Decaux will install and operate 20 toilets and 90 kiosks, for a ratio of 1 toilet to 4.5 kiosks. At the end of the two year trial period, the City has the option to either end the program or continue the program with the installation of an additional 7 toilets and 31 kiosks, and, at the City's option, a further additional 23 toilets and 104 kiosks, for an overall total of up to 50 toilets and 225 kiosks, for the same ratio of 1 toilet to 4.5 kiosks. The City has the option to terminate the program after the two year trial period only if the Board of Supervisors makes a good faith determination that the toilet program has been unsuccessful due to excessive downtime, vandalism, or misuse of the facilities.
- Decaux will bear the entire cost of installing and maintaining the toilets and kiosks, at no cost to the City.
- After permits are issued, the City can request the relocation of up to one toilet or three kiosks in any 12-month period at Decaux's cost, however, any additional relocations requested by the City during that 12-month period would be at the City's cost.
- The public toilets require a 25¢ user fee to enter and use the facility. Decaux must provide tokens for the use of homeless and/or disabled persons who do not have 25¢, with such tokens to be distributed by non-profit organizations and at

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nearby newsstands. Decaux is required to keep an estimated 10,000 tokens in circulation at all times, replacing tokens as necessary.

- In order to cover the City's costs to administer the program, Decaux will pay the City an annual fee of \$25,000 for the first 27 toilets and \$500 annually for each toilet beyond 27, adjusted each year by the rate of inflation. In addition, Decaux must pay the City a one-time fee of \$350 for each toilet and for each kiosk to defray the cost of holding public hearings and determining specific locations for the toilets and kiosks.

- Decaux must pay the City 2 percent of the net revenues earned from the sale of advertising on the kiosks if such revenues exceed \$18,000 per kiosk annually for the first seven years of the program, and 5 percent of net advertising revenues if such advertising revenues exceed \$18,000 per kiosk beginning in the eighth year of the program, or, if the net advertising revenues exceed \$25,000 per kiosk, 7 percent of net advertising revenues beginning in the eighth year of the program, adjusted each year by the rate of inflation.

- One of the three sides of each kiosk must be devoted to public service uses or material, such as newsstands, City maps, public art, or announcements.

- If the City chooses to end the program after the two year trial period, the City may either; (a) have the toilets removed at Decaux's expense and have the kiosks removed, also at Decaux's expense, three years thereafter (five years from the start of the contract), or, (b) have the toilets removed and negotiate an amendment to the contract with Decaux such that the City would receive all advertising revenues from the kiosks in excess of an amount sufficient to cover Decaux's cost for the installation of the toilets and kiosks, and a reasonable return on Decaux's investment. Such a new contract would be subject to review and approval by the Board of Supervisors.

Comments:

1. Deputy City Attorney Judy Boyajian reports that, as of the writing of this report, the City Attorney is working with the Mayor's Office to review a number of issues pertaining to the agreement between the City and Decaux, including the issues of; (a) excess advertising displayed on the kiosks, (b) rotation of the kiosks, and, (c) disabled access to the kiosks.

2. According to Mr. Jake Szeto of the Department of Public Works (DPW), as of February 16, 1996, Decaux had installed a total of 16 toilets and 88 kiosks, of which 65 kiosks have advertising in place. Based on the 16 toilets and 65 advertising kiosks, for a ratio of 1 toilet to 4.0625 kiosks with advertising, the DPW advises that they consider Decaux to be in compliance with the contract on this issue at this time. Ms. Boyajian advises that the City Attorney would also consider Decaux to be in compliance at this time, providing that the figures shown above as reported by DPW are correct. Mr. Szeto reports that installation of the remaining 4 toilets is expected to be completed by the end of the February. Under the contract with the City, Decaux is required to complete installation of the first 20 toilets within six months of the date by which all permits for the toilets and kiosks had been issued, known as the "start date" of the program, which was November 30, 1995, as designated by DPW.

3. Mr. Szeto advises that during certain periods of the program, the number of kiosks with advertising exceeded the ratio specified in the contract, and, during such periods, Decaux was considered by the DPW to be out of compliance with the contract. The Mayor has requested that Decaux turn over to the City the excess advertising revenues earned during such periods. Decaux has not agreed that they were out of compliance with the contract on this issue, however, as of February 1, 1996, Decaux paid the City approximately \$36,000, as a gesture of good faith. As noted above, the City Attorney is also presently reviewing the issue of excess advertising on the kiosks.

4. Mr. Szeto advises that City staff including the DPW's disability access coordinator met during the week of February 5th with Decaux regarding the issue of disabled access to the kiosks. According to the DPW, some newsstand kiosks are designed with "roll-up" doors, which present access problems to employees using a wheelchair who are stationed in those kiosks. These kiosks were a modification from the specifications in the contract approved by the Board of Supervisors. In addition, some kiosks have a "path of travel" access problem in which the kiosk is located on a sidewalk with a slope and has therefore been installed with a step that cannot be negotiated by a wheelchair. According to Mr. Szeto, a deadline of February 16th has been set by which time Decaux will present the DPW with a plan for correcting these disability access problems.

5. Mr. Szeto advises that an Appendix to the contract between the City and Decaux contains an option which allows

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advertising kiosks to rotate. However, the language of the Appendix does not specify whether Decaux must have the City's permission for kiosks to rotate, according to the DPW. According to the City Attorney, rotating kiosks would require approval by the appropriate City regulatory agencies, such as the Planning Commission. Mr. Szeto notes that the DPW has demanded that Decaux stop the rotating kiosks, however, to date, Decaux has not stopped the rotating kiosks in response to the DPW's demand. As noted above, the City Attorney is currently reviewing this issue.

Item 3 - File 82-96-2

Department: Real Estate Department
Department of Public Works (DPW)

Item: Resolution authorizing the City to acquire, on behalf of the Department of Public Works, three temporary construction easements through a portion of the real property identified as Assessor's Parcel No. 4347A/1/2 and to adopt findings pursuant to City Planning Code Section 101.1.

Amount: \$44,871.54 for three temporary construction easement rights for the period retroactive from November 1, 1995 through September 30, 1996, representing eleven months at approximately \$4,079.23 per month.

Source of Funds: 1988 Clean Water Sewer Bond funds

Description: The DPW's Clean Water Program, Islais Creek Transport/Storage Project, which began November 1, 1993, involves installing underground storage containers along the Islais Creek, in order to capture, store and transport excess rain water and sewage. Ms. Claudine Venegas of the Real Estate Department advises that the Real Estate Department initially acquired the subject three temporary construction easements on real property owned by Ms. Eileen G. Callaghan for use as a staging area during the construction of the Islais Creek Transport/Storage Project for the two-year period beginning November 1, 1993 through October 31, 1995. An amount of \$103,591 (approximately \$4,316 per month) was paid to Ms. Callaghan for the easement rights during this period. These three easements were on property consisting of 27,698 square feet in the vicinity of Army Street in the Bayview District. The easements expired on October 31, 1995.

The proposed resolution would authorize the Real Estate Department to acquire a continuation of the three temporary construction easements on the same property from Ms. Callaghan for the eleven-month period retroactive from November 1, 1995 through September 30, 1996. An amount of \$44,871.54 (\$4,079.23 per month) would be paid to Ms. Callaghan for the three temporary construction easement rights. In addition, the proposed resolution would also adopt findings pursuant to City Planning Code Section 101.1.

Comments:

1. The proposed acquisition of the temporary construction easements is in conformity with the Master Plan and is consistent with the Eight Priority Policies of City Planning Code Section 101.1, according to the Planning Department.

2. The Real Estate Department has determined that the amount of \$44,871.54, or \$4,079.23 per month represents a fair and reasonable value for the subject easement rights. Ms. Venegas advises that the proposed monthly payment of \$4,079.23 is \$236.77, or 5.5 percent less than the prior monthly payment of \$4,316 for the three easements because during the period of the original easement approvals, a tenant occupied a small portion of the subject property, but that presently there is no longer a tenant occupying any portion of the subject property.

3. On February 12, 1996, the Board of Supervisors approved a resolution authorizing the City to acquire another temporary construction easement for the Islais Creek Transport/Storage Project (File 84-96-1). Mr. Manfred Wong advises that under the proposed subject request for three additional easements, one of the easements would be used as a construction staging area for equipment and materials, and the remaining two easements would provide a narrow strip of land along the Islais Creek to allow for the installation of the underground storage containers. Mr. Wong advises the proposed three easements, as well as the previously approved easement all pertain to the Islais Creek Transportation/Storage Project.

Recommendation: Approve the proposed resolution.

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Item 4 - File 101-95-45

Note: This item was continued by the Budget Committee at its meeting of February 14, 1996.

Departments: Fire Department
Department of Public Works (DPW)

Item: Ordinance appropriating \$1,600,000 of 1992 Fire Protection Bond interest earnings for ten capital improvement projects for the Fire Department.

Amount: \$1,600,000

Source of Funds: Interest earned from 1992 Fire Protection Bonds

Description: The proposed \$1,600,000 would be used by the Fire Department to provide funding for one new project involving the upgrade of a Fire Station and additional funding for nine on-going projects involving Fire Station upgrades, as follows:

	Amount Previously Appropriated	Requested Additional Amount	Total Estimated Project Costs
<u>Fire Station No. 9</u>			
Construction Contract	\$450,597	\$35,872	\$486,469
Asbestos Abatement	15,167	9,098	24,265
Basic Design & Engineering (12.8% of Construction)	65,280	0	65,280
DPW Construction Management	39,500	5,030	44,530
Other Costs	<u>84,456</u>	<u>0</u>	<u>84,456</u>
Subtotal	\$655,000	\$50,000	\$705,000

Fire Station No. 16

Construction Contract	\$417,600	\$44,600	\$462,200
Contingency	35,900	0	35,900
Asbestos Abatement	45,873	0	45,873
Basic Design & Engineering (12.4% of Construction)	67,500	0	67,500
DPW Construction Management	47,230	5,400	52,630
Other Costs	<u>86,197</u>	<u>0</u>	<u>86,197</u>
Subtotal	\$700,300	\$50,000	\$750,300

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	Amount Previously <u>Appropriated</u>	Requested Additional <u>Amount</u>	Total Estimated Project <u>Costs</u>
<u>Fire Station No. 43</u>			
Construction Contract	\$366,421	\$45,440	\$411,861
Contingency	50,822	0	50,822
Asbestos Abatement	57,134	0	57,134
Basic Design & Engineering (10.9% of Construction)	56,525	0	56,525
DPW Construction Management	48,190	4,560	52,750
Other Costs	83,908	<u>0</u>	83,908
Subtotal	\$663,000	\$50,000	\$713,000

Fire Station No. 3

Construction Contract	\$221,174	\$52,226	\$273,400
Contingency	23,280	0	23,280
Asbestos Abatement	0	17,774	17,774
Basic Design & Engineering (10.2% of Construction)	32,779	0	32,779
DPW Construction Management	0	28,200	28,200
DPW Construction Administration	0	11,800	11,800
Other Costs	<u>17,267</u>	<u>0</u>	<u>17,267</u>
Subtotal	\$294,500	\$110,000	\$404,500

Fire Station No. 39

Construction Contract	\$1,256,720	0	\$1,256,720
Contingency	33,500	\$139,000	172,500
Asbestos Abatement	40,000	0	40,000
Art Enrichment	5,000	0	5,000
Basic Design & Engineering (13.6 % of Construction)	201,000	0	201,000
DPW Construction Management	0	121,000	121,000
DPW Construction Administration	20,000	40,000	60,000
Other Costs	<u>133,280</u>	<u>0</u>	<u>133,280</u>
Subtotal	\$1,689,500	\$300,000	\$1,989,500

BOARD OF SUPERVISORS
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	Amount Previously <u>Appropriated</u>	Requested Additional <u>Amount</u>	Total Estimated Project <u>Costs</u>
<u>Fire Station No. 17</u>			
Construction Contract	\$379,500	\$187,000	\$566,500
Contingency	58,000	22,200	80,200
Asbestos Abatement	42,755	0	42,755
Basic Design & Engineering (12.5% of Construction)	64,100	21,900	86,000
DPW Construction Management	55,500	18,900	74,400
Other Costs	<u>92,845</u>	<u>0</u>	<u>92,845</u>
Subtotal	\$692,700	\$250,000	\$942,700

Fire Station No. 10

Construction Contract	\$390,000	\$75,000	\$465,000
Contingency	51,100	9,100	60,200
Asbestos Abatement	37,000	0	37,000
Basic Design & Engineering (14.2% of Construction)	71,000	9,000	80,000
DPW Construction Management	34,500	6,900	41,400
Other Costs	<u>119,100</u>	<u>0</u>	<u>119,100</u>
Subtotal	\$702,700	\$100,000	\$802,700

Fire Station No. 25

Construction Contract	1,523,000	\$112,000	\$1,635,000
Contingency	270,500	13,500	284,000
Asbestos Abatement	82,400	0	82,400
Basic Design & Engineering (14.2% of Construction)	272,100	13,500	285,600
DPW Construction Management	151,000	11,000	162,000
Other Costs	<u>298,000</u>	<u>0</u>	<u>298,000</u>
Subtotal	\$2,597,000	\$150,000	\$2,747,000

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	Amount Previously <u>Appropriated</u>	Requested Additional <u>Amount</u>	Total Estimated Project <u>Costs</u>
<u>Fire Station No. 42</u>			
Construction Contract	\$210,000	\$105,000	315,000
Contingency	35,200	12,800	48,000
Asbestos Abatement	22,000	0	22,000
Basic Design & Engineering (12.5% of Construction)	35,700	12,300	48,000
DPW Construction Management	22,100	9,900	32,000
Other Costs	<u>77,000</u>	<u>0</u>	<u>77,000</u>
Subtotal	\$402,000	\$140,000	\$542,000

Fire Station No. 26

Construction Contract \$	0	\$266,000	\$266,000
Contingency	0	28,000	28,000
Asbestos Abatement	0	15,000	15,000
Basic Design & Engineering (12.4% of Construction)	0	38,400	38,400
DPW Construction Management	0	20,000	20,000
Other Costs	<u>0</u>	<u>32,600</u>	<u>32,600</u>
Subtotals	0	\$400,000	\$400,000

Grand Totals \$8,396,700 \$1,600,000 \$9,996,700

Comments:

1. Attachment I provided by the DPW contains the following data for each of the 10 Fire Station projects:

Location
Description of project scope
Total project costs
Total construction costs
Total design costs
Percentage of design costs to construction costs
Estimated dates of project completion

2. Attachment II provides the budget details for DPW Construction Management including the hours and hourly rates.

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3 The DPW advises that the Department has not, as yet, selected contractors to perform the necessary work for Fire Station No's. 10, 25, and 42. As such, the proposed legislation should be amended to reserve \$75,000 for Fire Station No. 10, \$112,000 for Fire Station No. 25, and \$105,000 for Fire Station No. 42, for a total of \$292,000, pending the DPW's selection of contractors, and the submission of the MBE/WBE status of the contractors and contract cost details.

- Recommendations:**
1. Amend the proposed ordinance to reserve a total of \$292,000, pending the DPW's selection of contractors and the submission of the MBE/WBE status of the contractors and the contract cost details.
 2. Approve the proposed ordinance as amended.

SAN FRANCISCO FIRE DEPARTMENT
\$1.6 MILLION SUPPLEMENTAL APPROPRIATION

ATTACHMENT I

PROJECT: FIRE STATION 3

Location: 1067 Post Street

Description Of Project:

Upgrading current mechanical and electrical systems; replacement of generator. In addition, disabled access, separate female facilities, and asbestos abatement work performed.

Total Project Costs: \$404,500

(\$5,500 reallocated to FCM work)

Total Basic A/E Costs: \$32,779

Percentage of A/E Costs to Construction Costs: 10.42

Estimated dates of project completion: August 30, 1996

Distribution of Funds:

		% of Construction
Construction	273,400	
Construction Contingency	23,280	
Asbestos Abatement	<u>17,774</u>	
Total Construction, Purchases, Installation	314,454	
A/E Basic Design Services	32,779	10.42
Construction Management	28,200	8.90
A/E Construction Services	11,800	3.81
Geotech, Surveys, and Data	6,500	2.06
Additional A/E Services	2,000	.64
Project Management	5,225	
Reg. Agency Approvals	<u>3,542</u>	
Total:	\$404,500	

PROJECT: FIRE STATION 9

Location: 2245 Jerrold Avenue

Description Of Project:

New toilet and lockers for female firefighters, re-designing the dormitory, upgrading the kitchen, making first floor area including the toilet ADA compatible, asbestos and lead abatement, new mechanical system and upgrading of the electrical system. New apparatus doors, new roof and painting.

Total Project Costs: \$705,000

Total Basic A/E Costs: \$65,280

Percentage of A/E Costs to Construction Costs: 12.79

Estimated dates of project completion: April 30, 1996

Distribution of Funds:

		% of Construction
Construction & Contingency	486,469	
Asbestos Abatement	<u>24,265</u>	
Total Construction, Purchases, Installation	510,734	
A/E Basic Design Services	65,280	12.79
Construction Management	44,530	8.72
A/E Construction Services	16,300	3.20
Geotech, Surveys, and Data	5,690	1.12
Additional A/E Services	29,970	5.87
Project Management	17,000	
Reg. Agency Approvals	<u>15,496</u>	
Total:	\$705,000	

PROJECT: FIRE STATION 39

Location 1091 Portola Avenue

Description Of Project:

The current project scope will seismically upgrade the building to current code levels. A total of approximately 1,000 square feet of space will be added to accommodate a dormitory and weight room. In addition, asbestos abatement, disabled access, fire alarm facilities and other work will be performed as required.

Total Project Costs: \$1,989,500

Total Basic A/E Costs: \$201,000

Percentage of A/E Costs to Construction Costs: 13.63

Estimated dates of project completion: December 2, 1996

Distribution of Funds:

		% of Construction
Construction	1,256,720	
Construction Contingency	172,500	
Asbestos Abatement	40,000	
Art Enrichment	5,000	
Total Construction, Purchases, Installation	1,474,220	
A/E Basic Design Services	201,000	13.63
Construction Management	121,000	8.20
A/E Construction Services	60,000	4.07
Geotech, Surveys, and Data	35,400	2.40
Additional A/E Services	79,908	5.42
Client Dept. Services	1,472	
Project Management	2,000	
City Administration Services/Real Estate	2,500	
Reg. Agency Approvals	12,000	
Total:	\$1,989,500	

PROJECT: FIRE STATION 10

Location: 655 Presidio Avenue

Description Of Project:

Complete interior renovation, separate female facilities, disabled access upgrades, asbestos abatement, and hose tower demolition.

Total Project Costs: \$802,700

Total Basic A/E Costs: \$80,000

Percentage of A/E Costs to Construction Costs: 14.21

Estimated dates of project completion: March 30, 1997

Distribution of Funds:

		% of Construction
Construction	465,000	
Construction Contingency	60,200	
Asbestos Abatement	37,000	
Total Construction, Purchases, Installation	562,800	
A/E Basic Design Services	80,000	14.21
Construction Management	45,400	8.07
A/E Construction Services	26,000	4.62
Additional A/E Services	64,000	11.37
Project Management	9,000	
Reg. Agency Approvals	15,500	
Total:	\$802,700	

FIRE STATION 16 RENOVATION

Location: 2251 Greenwich

Description Of Project:

The scope includes disabled access at the first floor entry; communication and toilet rooms, new toilet/shower facilities within the dormitory, modification of mechanical and electrical systems, asbestos abatement, and miscellaneous repairs.

Total Project Costs: \$750,300

Total Basic A/E Costs: \$67,500

Percentage of A/E Costs to Construction Costs: 12.41

Estimated dates of Project Completion: April 12, 1996

Distribution of Funds:

		% of Construction
Construction	462,200	
Construction Contingency	35,900	
Asbestos Abatement	<u>45,873</u>	
Total Construction, Purchases, Installation	543,943	
A/E Basic Design Services	67,500	12.41
Construction Management	52,630	9.67
A/E Construction Services	17,000	3.12
Geotech, Surveys, and Data	6,427	1.18
Additional A/E Services	35,770	6.58
Project Management	12,000	
Reg. Agency Approvals		
	<u>15,000</u>	
Total:	\$750,300	

*Current appropriation for the project is \$700,300.

PROJECT: FIRE STATION 17

Location: 1295 Shafter Avenue

Description Of Project:

This project is to upgrade the building to minimum code level. In addition, disabled access, female facilities and modification to mechanical and electrical systems, and other work will be performed.

Total Project Costs: \$942,700

Total Basic A/E Costs: \$86,000

Percentage of A/E Costs to Construction Costs: 12.47

Estimated dates of project completion: December 15, 1996

Distribution Of Funds:

		% of Construction
Construction	566,500	
Construction Contingency	80,200	
Asbestos Abatement	<u>42,755</u>	
Total Construction, Purchases, Installation	689,455	
A/E Basic Design Services	86,000	12.47
Construction Management	74,400	10.79
A/E Construction Services	24,000	3.48
Geotech, Surveys, and Data	7,245	1.05
Additional A/E Services	31,600	4.58
Project Management	16,000	
Reg. Agency Approvals	<u>14,000</u>	
Total:	\$942,700	

PROJECT: FIRE STATION 25

Location: 3305 - 3rd Street

Description Of Project:

Complete renovation and addition, seismic upgrade, adding female facilities, new emergency generator, asbestos abatement related work will be performed.

Total Project Costs: \$2,747,00

Total Basic A/E Costs: \$285,600

Percentage of A/E Costs to Construction Costs: 14.27

Estimated dates of project completion: January 31, 1997

Distribution of Funds: See Appendix "G"

		% of Construction
Construction	1,635,000	
Construction Contingency	284,000	
Asbestos Abatement	<u>82,400</u>	
Total Construction, Purchases, Installation	2,001,400	
A/E Basic Design Services	285,600	14.27
Construction Management	162,000	8.09
A/E Construction Services	72,000	3.40
Geotech, Surveys, and Data	60,000	3.00
Additional A/E Services	82,000	4.10
Project Management	28,000	
Reg. Agency Approvals	56,000	
Total:	\$2,747,000	

PROJECT: FIRE STATION 26 (PH. III) RENOVATION

Location: 80 Digby Street

Description Of Project:

A new project by the Fire Department to upgrade the facility to minimum code requirements. Disabled access, separate female facilities, asbestos abatement, modification of mechanical and electrical work, and related repair works will be performed.

Total Project Costs: \$400,000

Total Basic A/E Costs: \$38,400

Percentage of A/E Costs to Construction Costs: 12.43

Estimated dates of project completion: August 1, 1998

Distribution of Funds:

		% of Construction
Construction	266,000	
Construction Contingency	28,000	
Asbestos Abatement	<u>15,000</u>	
Total Construction, Purchases, Installation	309,000	
A/E Basic Design Services	38,400	12.43
Construction Management	20,000	6.48
A/E Construction Services	12,000	3.89
Geotech, Surveys, and Data	4,000	1.30
Additional A/E Services	7,000	2.27
Project Management	5,600	
Reg. Agency Approvals	<u>4,000</u>	
Total:	\$400,000	

PROJECT: FIRE STATION 42

Location: 2430 San Bruno Avenue

Description Of Project:

To rehabilitate an existing building, originally constructed in 1976. Asbestos abatement, disabled access, female facilities and other modification of mechanical and electrical work will be performed as part of this rehabilitation effort.

Total Project Costs: \$542,000

Total Basic A/E Costs: \$48,000

Percentage of A/E Costs to Construction Costs: 12.47

Estimated dates of project completion: March 30, 1997

Distribution of Funds:

		% of Construction
Construction	315,000	
Construction Contingency	48,000	
Asbestos Abatement	<u>22,000</u>	
Total Construction, Purchases, Installation	385,000	
A/E Basic Design Services	48,000	12.47
Construction Management	32,000	8.32
A/E Construction Services	20,000	5.20
Geotech, Surveys, and Data	11,000	2.86
Additional A/E Services	23,000	5.98
Project Management	10,000	
Reg. Agency Approvals	<u>13,000</u>	
Total:	\$542,000	

PROJECT: FIRE STATION 43

Location: 720 Moscow Street

Description Of Project:

Modification of mechanical and electrical system, asbestos abatement, disabled access, separate female facilities, new roofing and general renovation work.

Total Project Costs: \$713,000

Total Basic A/E Costs: \$56,525

Percentage of A/E Costs to Construction Costs: 10.87

Estimated dates of project completion: April 15, 1996

Distribution of Funds:

		% of Construction
Construction	411,861	
Construction Contingency	50,822	
Asbestos Abatement	<u>57,134</u>	
Total Construction, Purchases, Installation	519,817	
A/E Basic Design Services	56,525	10.87
Construction Management	52,750	9.20
A/E Construction Services	21,975	4.233
Geotech, Surveys, and Data	10,780	2.002.08
Additional A/E Services	25,227	4.86
Project Management	18,000	
City Administration Services/Real Estate	2,500	
Reg. Agency Approvals	<u>5,426</u>	
Total:	\$713,000	

**DESCRIPTION OF USE OF FUNDS OF \$1.6 MILLION BOND INTEREST
FOR
TEN FIRE DEPARTMENT FACILITIES.**

The Fire Department and Department of Public Works advised that the requested Supplemental Appropriation of \$1,600,000 is needed to supplement costs due to client requested new project, additional work, new 1995 code requirement and related architectural, engineering and construction services.

1. STATION 9

Previously Approved Budget	655,000	Previously Appropriated Amount (Last request: File-101-92-60.9)	655,000
Change in Budget	<u>50,000</u>	Current Supplemental Request	<u>50,000</u>
Current Revised Budget	705,000	Total Amount	705,000
Distribution of additional funds:			
a. Remove extra asbestos material			9,098
b. Replace additional flooring, shower pan, floor tiles, ext. building painting			35,872
c. Additional construction management costs (Resident Engineer, 67 hrs. x \$75/hr.)			<u>5,030</u>
		Sub-total	\$50,000

2. STATION 16

Previously Approved Budget	709,000	Previously Appropriated Amount (Last request: File-101-92-60.7)	700,300
Change in Budget	<u>41,300</u>	Current Supplemental Request	<u>50,000</u>
Current Revised Budget	750,300	Total Amount	750,300
Distribution of additional funds:			
a. Additional lockers			12,950
b. Additional mechanical/electrical work due to site conditions			31,650
c. Additional construction management costs (Resident Engineer, 72 hrs. x \$75/hr.)			<u>5,400</u>
		Sub-total	\$50,000

3. STATION 43

Previously Approved Budget	663,000	Previously Appropriated Amount (Last request: File-101-92-60.7)	663,000
Change in Budget	<u>50,000</u>	Current Supplemental Request	<u>50,000</u>
Current Revised Budget	713,000	Total Amount	713,000
Distribution of additional funds:			
a. Additional mechanical and electrical work and additional facility improvement.			45,440
b. Additional construction management costs (Resident engineer, 61 hrs. x \$75/hr.)			<u>4,560</u>
		Sub-total	\$50,000

4. STATION 3

Previously Approved Budget	404,500	Previously Appropriated Amount	294,500
Change in Budget	<u>0</u>	Current Supplemental Request	<u>110,000</u>
Current Revised Budget	404,500	Total Amount	404,500

Distribution of additional funds per previously approved budget:

a. Hazardous material abatement	17,774
b. Emergency generator (Construction)	34,826
c. Supplement construction fund for award of base bid contract*	17,400
d. Construction management costs (Resident Engineer 376 hrs x \$75/hr.)	28,200
e. Construction administration	<u>11,800</u>
Sub-total	\$110,000

* A construction contract fund of \$256,000 (File 101-94-40.1) was approved by the Budget Committee on 1/3/96 (see Attachment "A").

5. STATION 39

Previously Approved Budget	1,989,500	Previously Appropriated Amount (Last request: File-101-92-60.9)	1,689,500
Change in Budget	<u>0</u>	Current Supplemental Request	<u>300,000</u>
Current Revised Budget	1,989,500	Total Amount	1,989,500

Distribution of additional funds per previously approved budget:

a. Construction contingency	139,000
b. Construction administration Cost	40,000
c. Construction management Cost (Resident Engineer 161.3 hrs x \$75/hr.)	<u>121,000</u>
Sub-total	\$300,000

* A request of \$1,279,500 (File 101-92-60.10) for the construction contract and additional work was approved by the Budget Committee on 1/17/96. As indicated on that request, this \$300,000 will fund the outstanding construction services cost and contingency (see attachment "B").

6. STATION 17

Previously Approved Budget	700,000	Previously Appropriated Amount (Last request: File-101-92-60.9)	692,700
Change in Budget	<u>242,700</u>	Current Supplemental Request	<u>250,000</u>
Current Revised Budget	942,700	Total Amount	942,700

Distribution of additional funds:

a. Demolish hose tower	67,000
b. Replace HVAC system.	120,000
c. Increase construction contingency	22,200
d. Additional construction management Cost (Resident Engineer 250 hrs. x \$75/hr.)	18,900
e. Additional architectural/engineering cost (Architect, 292 hrs. x \$75/hr.)	<u>21,900</u>
Sub-total	\$250,000

PROJECTS IN DESIGN PHASE**7. STATION 10**

Previously Approved Budget	710,000	Previously Appropriated Amount (Last request: File-101-92-60.9)	702,700
Change in Budget	<u>92,700</u>	Current Supplemental Request	<u>100,000</u>
Current Revised Budget	802,700	Total Amount	802,700
Distribution of additional funds:			
a. Demolish concrete hose tower			35,000
b. Additional mechanical/electrical work			40,000
c. Increase construction contingency			9,100
d. Increase architectural/engineering costs (Resident Engineer, 120 hrs x \$75/hr.)			9,000
e. Increase construction management costs (Architect, 92 hrs. x \$75/hr.)			<u>6,900</u>
Sub-total			\$100,000

8. STATION 25

Previously Approved Budget	2,607,000	Previously Appropriated Amount (Last request: File-101-92-60.9)	2,597,000
Change in Budget	<u>140,000</u>	Current Supplemental Request	<u>150,000</u>
Current Revised Budget	2,747,000	Total Amount	2,747,000
Distribution of additional funds:			
a. Additional electrical and general requirements work			112,000
b. Increase construction contingency			13,500
c. Increase architectural/engineering costs (Architect, 180 hrs. x \$75/hr.)			13,500
d. Increase construction management costs (Resident Engineers, 147 hrs. x \$75/hr.)			<u>11,000</u>
Sub-total			\$150,000

9. STATION 26

Project Budget: Original funds in the amount of \$330,000 were reallocated for foundation strengthening work due to the urgency to mitigate structural settlement.

Funds needed for new project-general facility improvement: \$400,000

Previously Approved Budget	0	Previously Appropriated Amount (Last request: File-101-92-60.9)	0
Change in Budget	<u>400,000</u>	Current Supplemental Request	<u>400,000</u>
Current Revised Budget	400,000	Total Amount	400,000
Distribution of Funds			
a. Construction contract			266,000
b. Construction contingency			28,000
c. Asbestos assessment and abatement cost			15,000
d. Project Management (Project Manager, 65 hrs. x \$85/hr.)			5,600
d. Construction management cost (Resident Engineer, 367 hrs. x \$75/hr.)			20,000
d. Other Costs			27,000
e. Architectural/Engineering cost (Architect, 539 hrs. x \$75/hr; Engineer, 200 hrs. x \$85/hr.)			<u>38,400</u>
Sub-total			\$400,000

ATTACHMENT II

10. STATION 42

Previously Approved Budget	402,000	Previously Appropriated Amount (Last request: File-101-92-60.9)	94,900
		Current Supplemental Request	140,000
Change in Budget	140,000	To be requested by SFFD upon future bond sale.	307,100
Current Revised Budget	<u>542,000</u>	Total Amount	<u>542,000</u>
Distribution of additional funds:			
a. Expanded mechanical, electrical and general work			105,000
b. Increase construction contingency			12,800
c. Increase architectural/engineering costs (Architects, 164 hrs. x \$75/hr.)			12,300
d. Increase construction management costs (Resident Engineer, 132 hrs. x \$75/hr.)			<u>9,900</u>
	Sub-total		\$140,000

TOTAL REQUEST FOR SUPPLEMENTAL APPROPRIATION:	\$1,600,000
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Items 5 and 6 - Files 101-95-51 and 102-95-14

Department: Police Department (SFPD)

Item: Ordinance appropriating and rescinding \$31,690, Police Department, in General Fund salaries for the creation and deletion of one position for fiscal year 1995-96 (reclassify Class 9205A, Airport Communications Coordinator). (101-95-51)

Ordinance amending Ordinance No. 256-95 (Annual Salary Ordinance, 1995/96) reflecting the creation of one position, 8245N Communications Manager, SFPD and the deletion of one position, 9205A Airport Communications Coordinator. (102-95-14)

Amount: \$31,690

Source of Funds: Reappropriation of surplus funds in the SFPD FY 1995-96 Budget

Description: The SFPD is requesting the substitution of a new 8245N Communications Manager SFPD for an existing 9205A Airport Communications Manager. The SFPD requests that \$31,690 in General Fund surplus monies be rescinded from Permanent Salary funds in the SFPD's existing FY 1995-96 budget, and reappropriated for the new 8245N Communications Manager position.

The new 8245N Communications Manager would manage the SFPD's Communications Division, including the existing 911 emergency Communications system at the SFPD. This function is currently performed by an SFPD Captain. In February of 1993 the Board of Supervisors approved a resolution urging the Mayor to institute the civilianization of the supervisorial positions in the Police Department Communications Division (File 207-92-11.2). If the proposed ordinances are approved, the SFPD intends to civilianize the management of the Communications Division, and reassign the Captain who currently performs this function to the Traffic Company of the SFPD's Special Operations Division.

The SFPD's 9205A Airport Communications Coordinator position has never been filled, and is proposed for deletion. The salary for the proposed 8245N Communications Manager would be higher than that of the 9205A Airport Communications Manager, as shown in the following table:

Memo to Budget Committee
February 21, 1996 Meeting of Budget Committee

<u>Classification/Title</u>	<u>No. of Positions Add/Delete</u>	<u>Bimonthly Salary</u>	<u>Maximum Salary Top Step</u>
8245N Communications Manager SPPD	1	\$2,607-\$3,169	\$82,711
9205A Airport Communications Coordinator	(1)	\$2,199-\$2,672	(69,739)
Maximum Annual Increase in Salary			
Costs at the Top Step			\$12,972

For the ten pay periods from February 19 through June 30, 1996, the proposed position addition would be funded by a total reappropriation of \$31,690, including \$27,000 from deletion of the 9205A Airport Communications Coordinator position, and \$4,690 of SFPD excess Salary Savings. (See Comment No. 6.)

Comments:

1. In the attached classification analysis from the Department of Human Resources (DHR), the proposed bimonthly salary of \$2,607 to \$3,169 is recommended for the new 8245N Communications Manager position. Ms. Candace Heurlin of the DHR states that the salary for the 9205A Airport Communications Coordinator position was insufficient to recruit qualified candidates to manage the SFPD Communications Division, so the HRD determined that an 8245N Communications Manager would be a more appropriate classification. Ms. Heurlin advises that the salary range for the proposed new position was defined based on surveys of comparable jurisdictions.

2. Sergeant Tom Strong of the SFPD advises that the SFPD's 9205A Airport Communications Coordinator is a General Fund position that was created in the SFPD in connection with planned civilianization of the Communications Division, with the original intention of using it for the manager of the Communications Division. The reason that "Airport" is in the title is because the original intent was to avoid creating a new classification, and an existing classification at the Airport, namely a 9205A Airport Communications Coordinator position, was felt to be the most comparable existing civilian position. However, as noted above, the salary was found to be insufficient to attract appropriate applicants, and the position at the Police Department has never been filled.

3. According to Captain Thomas Donahoe of the SFPD, the proposed 8245N Communications Manager will plan, organize and coordinate the Communications Division of the SFPD, including the emergency communications 911 and dispatch system.

4. Mr. Carl Hedleston of the Mayor's Office of Emergency Services states that the planned Combined Emergency Communications Center (CECC) will eventually house 911 and radio dispatch functions for the SFPD, the Fire Department, the Paramedics and the Department of Parking and Traffic, as well as the emergency command center for San Francisco, including technical support elements. Mr. Hedleston states that the proposed SFPD 8245N Communications Manager will function in the CECC organizational structure as a division manager, responsible for law enforcement activities related to emergency communications, when the CECC opens. Mr. Hedleston states that, when the SFPD emergency communications functions are relocated to the CECC, the 8245 Communications Manager SFPD will report to a CECC General Manager who will be hired prior to the CECC 's completion.

5. Approval of File 102-95-14 would amend the 1995-96 Annual Salary Ordinance to delete the SFPD's vacant 9205A Airport Communications Coordinator position, and to create a new 8245N Communications Manager, SFPD.

6. The proposed supplemental appropriation would fund ten pay periods in FY 1995-96, which would require a February 19, 1996 start date. Mr. Wendell Pryor of the HRD advises that, although the HRD is already actively recruiting for this position, a start date of March 18, 1996 is realistic. The Budget Analyst therefore recommends that the proposed supplemental appropriation be reduced from \$31,690 to \$25,352, to fund eight pay periods in FY 1995-96.

Recommendations: 1. Reduce the proposed supplemental appropriation (File 101-95-51) by \$6,338, from \$31,690 to \$25,352 of General Fund permanent salaries to reflect an expected start date of March 18, 1996 for the proposed new 8245N Communications Manager SFPD. Approve the proposed ordinance as amended.

2. Approve the proposed amendment to the 1995-96 Annual Salary Ordinance (File 102-95-14).

DEPARTMENT OF HUMAN RESOURCES OPERATIONS DIVISION
RECOMMENDED CLASSIFICATION ACTIONS

DEPARTMENT: Police	DIVISION: Communications	UNIT: Communications
REQUESTED ACTION: Establish new classification, 8245 Communications Manager, SFPD. Reallocate the current position budgeted in class 9205 Airport Communications Coordinator to the new class. (below see note)		
RECOMMENDED ACTION: (<i>Allocate, Amend Spec., Consolidate, and/or Abolish, or approve use of Special Assistant or Project Manager</i>) ASO Section # ___ 38-04-22-1122-01001-581082-000-00 If applicable:		
<u># of Position(s)</u>	<u>Position Indicator</u>	<u>Budgeted Class and Rate</u>
1	A	9205 Airport Communications Coordinator Sch. -65.0 \$2178B2647
		<u>Recommended Class and Rate</u> 8245 Communications Manager, SFPD Sch. 68.7 \$2607B3169
CLASSIFICATION ANALYSIS: <i>Include: 1) reason for request, 2) focus or major function of position, 3) level and class concept, and 4) documentation of allocation factors. Attach supporting documentation.</i>		
1. In effort to transition the department's captain position in the Communications Division to a civilian manager, a request was made to establish a new classification to reflect the duties and responsibilities of the position. 2. Under general direction, plans, organizes and coordinates the emergency communications system for the Police Department, including the citywide 9-1-1 system, communications center facility, its resources, equipment and staff; coordinates and administers a multiple communications network; develops and maintains changing requirements of the communications system; develops performance standards for the division; prepares the annual budget; represents the department on communications matters; and performs other related duties as required. 3. This is the managerial level in the Professional, Supervisory and Management concept. 4. Requires the equivalent to a four year college degree in criminal justice, social science, psychology, public or business administration, telecommunications or closely related field; AND seven years experience in public safety emergency communications of which three years must have been managing and supervising a Computer Aided Dispatching (CAD) system serving a population of 500,000 or more, including program development in a centralized, combined communications center. 5. Decisions typically involve program planning, organizing and coordinating new and future resource needs; exercising creativity and resourcefulness to accomplish goals and objectives; applying discrete judgement in interpreting policies and in dealing with officials, the media and the general public. Working relationships include executive and regulatory representatives both internally and externally to negotiate solutions to conceptual issues on policies, procedures and program changes. The working environment involves minimal undesirable working conditions or exposure and minimal physical activities.		
IMPORTANT NOTE: SFPD must be advised to submit a supplemental appropriation to reflect the recommended action and legally establish the rate pay for the new 8245 classification.		
NOTIFY:	APPROVAL TO POST: _____ HOLD FOR BUDGET ACTION _____	
DPO: <u>Fred Lau, Police Chief</u>	ANALYST: _____ DATE _____	
EMP ORG: <u>MEA</u>	CERTIFIED DECENTRALIZED STAFF: _____ DATE _____	
TEAM LDR: <u>Candace Heurlin</u>	DHR TEAM LDR: _____ DATE _____	
ANALYST: <u>Jose Lebron</u>		

Items 7 and 8 - Files 101-95-53 and 102-95-13

Department: San Francisco Police Department (SFPD)

Items: Item 7 - File 101-95-53 Ordinance appropriating and rescinding \$380,942 of General Fund salaries for the creation and deletion of 12 positions for Fiscal Year 1995-96.

Item 8 - File 102-95-13 Ordinance amending the Fiscal Year 1995-96 Annual Salary Ordinance, reflecting the creation of 12 positions; 11 Classification Q60 Lieutenant and 1 Classification 0395N Assistant Chief of Police, and the deletion of 12 positions, 11 Classification Q50A Sergeant, and 1 Classification 0400A Deputy Chief.

Amount: \$380,942

Source of Funds: Reappropriation of budgeted FY 1995-96 Police Department salary and premium pay funds.

Description: The proposed appropriation ordinance (File 101-95-53) would rescind and reappropriate an amount of \$380,942 to the Police Department's FY 1995-96 budget, for the purpose of funding 11 new Lieutenant positions and 1 new Assistant Chief of Police position. The reappropriated funds would be made available through: (a) deleting 11 existing Sergeant positions and 1 existing Deputy Chief position from the Police Department's budget, and, (b) reappropriation of budgeted premium pay funds to salaries.

- The proposed ordinance, (File 102-95-13) would amend the Fiscal Year 1995-96 Annual Salary Ordinance to delete 11 existing Sergeant positions and 1 existing Deputy Chief position in the Police Department. At the same time, the proposed ordinance would create 11 new Lieutenant positions and 1 new Assistant Chief position.

According to Lt. Fagan of the SFPD, in August of 1995, the SFPD promoted 11 Sergeants to the rank of Lieutenant on a "like-work-like-pay" basis. The promotions were made on a "like-work-like-pay" basis because all authorized Lieutenant positions in the SFPD were already filled. According to Lt. Fagan, these promotions were made as part of the Department's long-range plan to improve the staff-to-supervisor ratios in the SFPD (See Comments No. 4 and 5). The proposed amendment to the Annual Salary Ordinance (File 102-95-13) would authorize the addition of 11 new Lieutenant positions to the Annual Salary Ordinance, so

that the Department can make these promotions permanent.

Regarding the new Assistant Chief position, Lt. Fagan advises that under the Federal consent decree governing the SFPD, no individual may be promoted to the rank of Deputy Chief or above who did not hold a prior appointment as a permanent Lieutenant. Further, permanent appointments to the rank of Lieutenant must be made in order from the Lieutenants' examination list. As a result, in order to be able to appoint an individual to the Assistant Chief's position who has held a "like-work-like-pay" appointment as a Lieutenant, the Department requires, at this time, 11 additional authorized, permanent appointments at the rank of Lieutenant.

In January of 1996, the Mayor appointed an Assistant Chief as a part of the restructuring of the Department's command staff. However, the position of Assistant Chief is not authorized in the Annual Salary Ordinance. The proposed ordinance (File 102-95-13) would create one Assistant Chief position, and eliminate one Deputy Chief position (See Comment No. 6).

The budget for the \$380,942 appropriated under the proposed appropriation ordinance (File 101-95-53) is as follows:

Budget:

Salaries and Fringe Benefits

Q60 Lieutenant

11 positions, 11.5 pay periods, @\$2,585/pay period \$327,003

0395 Assistant Chief of Police

1 position, 11.5 pay periods, \$4,635/pay period 53,303

Fringe Benefits 636

Total \$380,942

Comments:

1. As noted above, funds for this appropriation will be made available from; (a) funds in the SFPD's existing FY 1995-96 budget which are being made surplus through the elimination of 11 Sergeant positions and 1 Deputy Chief position (\$340,209), and, (b) reappropriation of premium pay funds to salaries (\$40,733), for a total of \$380,942.

2. Because the pay rates for Lieutenants and for the Assistant Chief are higher than those for Sergeants, and for Deputy Chiefs, respectively, the positions authorized under the proposed amendment to the Annual Salary Ordinance (File 102-95-13) will represent an increased cost to the City on an annual basis. Based on Fiscal Year 1995-

96 salary levels, the addition of these positions would result in an estimated increased cost to the City of \$110,502, annually, as follows;

<u>Classification/Title</u>	<u>Number of Positions Add/(Delete)</u>	<u>Maximum Bimonthly Salary</u>	<u>Maximum Annual Salary</u>	<u>Total Salary Cost</u>
Q60 Lieutenant	11	\$2,585	\$67,469	\$742,159
Q50 Sergeant	(11)	2,263	(59,064)	(649,704)
0395 Assistant Chief	1	4,635	120,974	120,974
0400 Deputy Chief	(1)	4,414	(115,205)	(115,205)
Maximum Annual Increase in Salary Costs				\$98,224
Estimated Annual Increase in Fringe Benefit Costs				<u>12,278</u>
Total Estimated Annual Increased Budgetary Cost				\$110,502

3. Proposition D, which was approved by the voters in November of 1994, requires a level of 1,972 "full-duty" sworn personnel in the Police Department. The SFPD has determined that in order to reach this level, 2,082 sworn personnel are required because approximately 5.3 percent, or 110 sworn personnel would typically be on light duty or disability at any given time. The Department has recently hired approximately 220 new Police Officers, including recruits who completed Police Academy training in the summer of 1995 and are currently in various stages of field training and probation. According to Lt. Fagan, with these recruits, plus additional Police Academy classes in 1996, the SFPD plans to reach the level of 2,082 sworn personnel by June 30, 1996.

4. According to Lt. Fagan, the Department now requires additional Sergeants and Lieutenants in order to provide sufficient supervisory and command personnel for the large number of new Police Officers entering the Department. Lt. Fagan reports that the SFPD considers a ratio of 1 Lieutenant for every 3 Sergeants, and 1 Sergeant for every 6 Police Officers, to be desirable. The authorized strength of the Department at this time provides for a ratio of 1 Lieutenant for every 2.85 Sergeants, and 1 Sergeant for every 6.75 Police Officers. However, the Department currently operates with ratios of 1 Lieutenant for every 2.80 Sergeants, and 1 Sergeant for every 6.35 Police Officers, using provisional appointments and "like-work-like-pay" appointments.

5. According to Lt. Fagan, the SFPD is already operating with 19 Sergeants over and above the number of Sergeants which have been authorized by the Board of Supervisors in the Annual Salary Ordinance. These appointments were made in May of 1995 as part of a group of Sergeants who were appointed on a provisional basis in order have sufficient supervisory personnel in the Department, according to Lt. Fagan. According to Lt. Fagan, despite the proposed legislation, which would officially delete 11 authorized Sergeant positions from the Annual Salary Ordinance, the SFPD plans to continue to operate with approximately 30 provisional Sergeants over the number which are authorized in the Annual Salary Ordinance, until permanent Sergeant positions are available, in order to maintain its supervision levels. Lt. Fagan notes that in future fiscal years, the SFPD plans to request authorization for additional Sergeants in order to achieve the ratio of 1 Sergeant to 6 Officers described above using authorized, permanent positions.

6. The Budget Analyst is currently engaged in a management audit of the Police Department, as directed by the Board of Supervisors. The audit will include a detailed analysis of staffing and deployment, including a review of the Department's staff-to-supervisor ratios. Although an increase in the number of SFPD supervisory personnel due to the overall increase in the size of the Department may be desirable at this time, the Budget Analyst's analysis of this issue is not yet complete. The Budget Analyst notes that Police Departments vary widely in their staff-to-supervisor ratios. The City of Oakland, for example, has ratios of 1 Lieutenant for every 5.1 Sergeants, and 1 Sergeant for every 4.4 Officers, and the City of San Jose has ratios of 1 Lieutenant for every 5.27 Sergeants, and 1 Sergeant for every 4.2 Officers, in contrast to the SFPD's recommended ratio of 1 Lieutenant for every 3 Sergeants and 1 Sergeant for every 6 Officers.

7. In the FY 1991-92 annual budget process, the SFPD eliminated the Assistant Chief position, in order to provide sufficient funds for the upgrade of 3 Lieutenants to the position of Captain. In the FY 1993-94 annual budget process, the Mayor denied a request by the SFPD to reauthorize the Assistant Chief position. As noted above, the new position of Assistant Chief which would be authorized by the proposed legislation was designated by the Mayor in a restructuring of the SFPD command staff in January 1996. According to Lt. Fagan, the Assistant Chief will have supervisory responsibility over three Deputy Chiefs, and will also supervise the Department's Public

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Affairs Office and Risk Management Division, including Management Control and the Computer-Aided Dispatch (CAD) 911 Project.

8. As noted above, the Department is requesting authorization for an Assistant Chief position, and requires authorization for 11 additional permanent Lieutenant positions at this time in order to provide for the appointment of the incumbent to the position of Assistant Chief, as designated by the Mayor. As such, the Budget Analyst considers this legislation to be a policy matter for the Board of Supervisors.

- Recommendations:**
1. Approval of the proposed ordinance (Item 7 File 101-95-53) is a policy matter for the Board of Supervisors.
 2. Approval of the proposed amendment to the Annual Salary Ordinance, (Item 8 File 102-95-13) is a policy matter for the Board of Supervisors.

Items 9 and 10 - Files 101-95-54 and 101-95-55

Department: San Francisco Police Department (SFPD)

Items: Item #9, File 101-95-54 Ordinance appropriating \$183,200 of Narcotics Forfeiture and Asset Seizure Funds to purchase laboratory equipment for fiscal year 1995-96.

Item #10, File 101-95-55 Ordinance appropriating \$50,000 of Narcotics Forfeiture and Assets Seizure Funds to purchase portable radios for fiscal year 1995-96.

Amount:	\$183,200	File 101-95-54
	<u>50,000</u>	File 101-95-55
	\$233,200	Total

Source of Funds: Narcotics Forfeiture and Asset Seizure Fund

Description: Pursuant to San Francisco Administrative Code Section 10.117-54, the Narcotics Forfeiture and Asset Seizure Fund was established to receive all assets acquired by City and County law enforcement agencies. This Special Fund requires that all expenditures made from the Fund be used specifically for enforcement, training, prevention, prosecution programs, and equipment to enhance the effectiveness of the enforcement of narcotics laws.

According to Officer Tom Strong of the SFPD, various City departments, such as the Sheriff, the San Francisco Airport Police and the SFPD receive a separate allocation of monies from the Narcotics Forfeiture and Asset Seizure Fund based on the amount of cash and other assets that are seized by each respective department during these enforcement activities. Officer Strong indicates that this allocation of funds to various City departments is based upon Federal and State guidelines.

As of February 15, 1996, the current balance of Narcotics Forfeiture and Asset Seizure Funds allocated for the SFPD is \$419,000.

The SFPD proposes to purchase the following equipment with funds from the Narcotics Forfeiture and Asset Seizure Fund:

Laboratory Equipment	\$183,200
Two gas chromatograph/mass spectrometers and a fourier transform infared spectrophotometer (See Comment 1)	
34 Portable Radios at @ \$1,471 each (including Department of Electricity staff time for testing and engraving the equipment)	<u>50,000</u>
Total	\$233,200

Comments:

1. According to Mr. Jim Norris, Director of the SFPD Crime Lab, an audit performed by the American Society of Crime Lab Directors recommended that the crime lab change the way narcotics are analyzed, by using equipment that will automatically print analytical reports on narcotic substances. Mr. Norris reports that the proposed Laboratory Equipment purchases will enable the crime lab to implement this audit recommendation, and improve the reliability of analyzing lab results.

2. The SFPD is requesting that the laboratory equipment be purchased through a sole-source contract to Hewlett-Packard and Perkin Elmer because of the specialized nature of the equipment, according to Mr. Norris. Neither firm is a City-certified MBE or WBE firm. According to Ms. Beth Tison of the Purchasing Department, the Purchasing Department has not yet reviewed the justification from the SFPD, and has not yet determined whether the laboratory equipment should be purchased on a sole-source or competitive bid basis. Therefore, the proposed ordinance (File 101-95-54) should be amended to reserve the \$183,200 budgeted for laboratory equipment pending the selection of a contractor, finalized purchase cost details and the MBE/WBE status of the vendor.

3. Mr. Norris indicates that the SFPD would purchase an annual maintenance agreement (commencing in FY 1997-98 when the one-year warranty would expire) estimated at \$17,000. Officer Strong reports that the maintenance agreement would be funded through the department's annual General Fund budget.

4. Based upon inquiries by the Budget Analyst, Lt. Alex Fagen of the SFPD has advised the Budget Analyst that the SFPD is now requesting that the other proposed ordinance

(File 101-95-55), that would have appropriated \$50,000 of Narcotics Forfeiture and Asset Seizure Funds to purchase the portable radios, be tabled.

- Recommendations:**
1. Amend the ordinance (File 101-95-54) to reserve the \$183,200 budgeted for laboratory equipment pending the selection of a contractor, finalized cost details and the MBE/WBE status of the vendor.
 2. Approve the proposed ordinance (Files 101-95-54) as amended.
 3. Table the proposed ordinance (File 101-95-55).

Items 11 and 12 - Files 101-95-52 and 102-95-11

Department: Registrar of Voters

Item: **File 101-95-52** - Supplemental appropriation ordinance appropriating \$195,195 from the General Fund Reserve for salaries, fringe benefits, other current expenses and equipment for the creation of one new position for Fiscal Year 1995-96.

File 102-95-11 - Ordinance amending the 1995-96 Annual Salary Ordinance to reflect the creation of one new position, Classification 1819N Management Information Systems (MIS) Specialist III.

Amount: \$195,195

Source of Funds: General Fund Reserve

Description: The proposed supplemental appropriation ordinance would provide funds to the Registrar of Voters for the period February 26, 1996 through June 30, 1996 for permanent salaries and fringe benefits for one new MIS Specialist III, and temporary salaries, other current expenses, and equipment, as follows:

Permanent Salaries	\$18,746
Temporary Salaries	32,370
Overtime	9,960
Mandatory Fringe Benefits	14,919
Other Current Expenses	65,200
Equipment Purchases	<u>54,000</u>
- Total	\$195,195

In addition, the proposed ordinance (102-95-7) would amend the 1995-96 Annual Salary Ordinance to reflect the addition of one new MIS Specialist III, as follows:

No. of <u>Positions</u>	<u>Title</u>	Biweekly <u>Salary</u>	Maximum Annual <u>Salary</u>
1	MIS Specialist III	\$1,936 - \$2,354	\$61,439

After the November, 1995 election, certain questions were raised as to the procedures used by the Registrar of Voters in the recording and counting of votes. This supplemental appropriation request would fund a new MIS Specialist III position and related costs in order to support information

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systems and other improvements for the Registrar of Voters. These improvements are intended to ensure better tracking and recording of votes and lessen the likelihood that an election will be jeopardized because of error on the part of the Office of the Registrar of Voters.

Currently, the Registrar of Voters has no position dedicated to the maintaining Department's computer system. Instead, computer system maintenance is performed on an ad hoc basis by various members of the Registrar of Voters staff. The proposed new MIS Specialist III would be solely responsible for maintaining and enhancing the Department's information systems on an ongoing basis, as well as responding to management and client demands for electoral information. According to Ms. Germaine Wong, Registrar of Voters, an MIS Specialist III was eliminated by the Mayor from the Department's FY 1993-94 budget, although the need for that position has continued. Ms. Wong advises that existing staff members perform MIS functions at the expense of their regular job duties, and the addition of this proposed new position would enable the existing staff to carry out their regular responsibilities in a more effective manner.

Mandatory Fringe Benefits are included in the proposed supplemental appropriation at \$14,919, or approximately 80 percent of the \$18,746 MIS Specialist III permanent salary costs. In addition to the regular fringe benefits for the MIS Specialist, which are included in the amount of \$4,124, or 22 percent, this request also includes \$4,133 for accumulated vacation and \$4,279 for accumulated compensatory time to refill immediately one vacant Division Manager position. According to Mr. Steve Nelson of the Office of the Chief Administrative Officer (CAO), the new employee is needed in connection with preparation work for the primary election in March, 1996.

The Division Manager who resigned occupied a professional position with a Z class designation. As such, this position would not normally receive payment for accumulated compensatory time. As of the writing of this report, Ms. Anne Godfrey of the Human Resources Department has been unable to confirm that the HRD suspended the Z classification to allow this employee to receive cash payment for compensatory time.

The balance of \$2,383 for Mandatory Fringe Benefits (\$14,919 less \$4,124 less \$4,133 less \$4,279) has not been justified. (See Comment 2.)

The Temporary Salary costs, at \$32,370, and Overtime costs, at \$9,960, are included in the proposed supplemental appropriation. Mr. Nelson reports that the Registrar of Voters requires additional funds for Overtime and Temporary Salaries for the following reasons:

- Two new political parties submitted signature cards for verification at the time of the November, 1996 election, when Registrar of Voters staff was unavailable. Therefore, the Registrar of Voters hired temporary personnel to verify the signature cards;
- In previous years, voters have had the option of voting at City Hall instead of their precinct. In the March, 1996 election, voters will have the option of voting either at 633 Folsom Street, the Registrar's new office, or at the War Memorial. Therefore, the Registrar of Voters will require sufficient personnel to staff both locations for the March, 1996 primary election;
- Overtime hours were incurred to correct procedural problems related to the November, 1996 elections; and
- The Registrar of Voters has added a new quality control function — a review of the ballot pamphlets — that requires additional staff hours.

Ms. Susan Andrus of the Controller's Office advises that actual expenditures from July 1, 1995 through January 31, 1996, 1996 are \$510,701 for Temporary Salaries and \$90,575 for Overtime. Based on a straight-line interpolation, the Budget Analyst estimates the following:

Memo to Budget Committee
February 21, 1996

Item	FY 1995-96 Budget	Actual Expenditures Estimated from 7/1/95 Through 1/31/96	Estimated Expenditures from 2/1/96 Through 6/30/96	Estimated Budget Deficiency (Surplus)
Overtime	\$32,000	\$90,575	\$64,696	(\$123,271)
Temporary Salaries	<u>1,038,645</u>	<u>510,701</u>	<u>364,786</u>	<u>163,158</u>
TOTAL	\$1,070,645	\$601,276	\$429,482	\$39,887

Based on a straight-line interpolation from actual year-to-date expenditures, the Registrar of Voters would have a surplus of \$39,887 in combined Overtime and Temporary Salaries from the Department's existing FY 1995-96 budget, excluding this supplemental appropriation request. This proposed supplemental appropriation request, if approved, would provide the Department with an additional \$42,330 (including \$32,370 for Temporary Salaries and \$9,960 for Overtime), for a combined surplus of \$82,217 (a \$39,887 budget surplus plus \$42,330 from this supplemental appropriation request).

However, as noted above, the Registrar of Voters is adding new functions for the March, 1996 election that will make Overtime and Temporary Salaries expenditures for the March, 1996 election higher than such expenditures were for the November, 1995 election, including allowing voters to vote at the War Memorial Building, and adding the ballot pamphlet checking function. As of the writing of this report, the Registrar of Voters has not provided detailed cost information regarding these projected higher expenditures.

Equipment purchases, at \$54,000, include \$4,000 for special equipment required for voting at the War Memorial building. The remaining \$50,000 would support a new telephone system. Mr. Dan McFarland of the Department of Electricity and Telecommunications advises against the purchase of a new telephone system, at least until a study has been completed regarding its costs and benefits.

Other Current Expenditures, at \$65,200, would support the following:

Ballot card reader rental	\$2,000
Van purchase	5,000
Printers	7,500
Personal Computers	21,900
Voting Booth Lights	<u>28,800</u>
Total Other Current Expenditures	\$65,200

The \$5,000 amount for the purchase of a van would supplement \$15,000 already included in the Registrar of Voters budget. According to Mr. Ara Minasian of the Purchasing Department, the cost of a natural gasoline fueled van would be \$22,000 to \$23,000, \$2,000 to \$3,000 more than the amount included in this supplemental appropriation request. The Chief Administrative Officer has a policy of purchasing only natural gasoline fueled vehicles. The Purchasing Department will provide detailed quotes on the cost of the remaining equipment purchases prior to the February 28, 1996 Budget Committee meeting (see Comment 3).

Comments:

1. The proposed supplemental appropriation request includes funding for the MIS Specialist III for 8.7 pay periods, from February 26, 1996 to June 30, 1996. However, given that the Board of Supervisors will not approve this supplemental appropriation request until after February 26, 1996, the salary cost for this MIS Specialist III should be reduced based on the anticipated start date.

2. As noted above, this request includes \$14,919 for Mandatory Fringe Benefits, of which only \$12,536 has been justified, leaving \$2,383 unaccounted for. Therefore, the proposed supplemental appropriation should be reduced in the amount of \$2,383.

3. Mr. Nelson has requested that the proposed legislation be continued to the February 28, 1996 Budget Committee Meeting, in order to provide time for the Registrar of Voters to submit detailed back-up information regarding the proposed Overtime and Temporary salary expenditures, the cash payment for compensatory time for a professional employee who has resigned, and the new stand-alone telephone system.

Recommendations: Continue the proposed ordinances, at the request of the Office of the Chief Administrative Officer, to the February 28, 1996 Budget Committee meeting.

Item 13 - File 101-95-56

Department: Airport

Item: Ordinance appropriating \$14,188,100 of interest earnings from unexpended capital improvement funds for various capital improvement projects at the Airport.

Amount: \$14,188,100

Source of Funds: Interest earned on the following unexpended Airport and Capital Project Fund balances:

Airport Capital Project Fund	\$6,751,639
1967 General Obligation Bonds	30,562
1975, 1977, 1983, and 1990 Airport Revenue Bonds	2,303,825
1992 Refunding Bonds, Issue 1	34,854
1993 Refunding Bonds, Issues 2 through 4	19,860
1992 San Francisco International Airport Master Plan Bonds, Issues 5 and 6	<u>5,047,360</u>
Total	\$14,188,100

Description: The proposed supplemental appropriation of \$14,188,100 would be used to pay for five capital improvement projects, as follows:

Parking Facility (Master Plan Project) - \$1,054,761

The Airport's near-term Master Plan is a \$2.4 billion program involving capital project/facilities planning through FY 1999-2000. As a part of its Master Plan, the construction of a parking facility on Lot DD is currently underway at the Airport. When completed, this parking facility will be a free standing structure located near the United Airlines Maintenance Center and will contain approximately 3,000 parking spaces for Airport employees, employees of Airport tenants and for the general public. The Board of Supervisors previously approved the construction contract for this project (Files 100-91-40.2 and 101-92-11.2).

The Airport advises that the total estimated cost of this project is \$44,100,000, as shown in Attachment I provided by the Airport. Of the \$44,100,000, the Airport has identified \$31,635,642 in previously appropriated San Francisco International Airport Second Series Revenue Bonds, Issue 5 and previously appropriated Airport Capital Improvement Funds, leaving a balance of \$12,464,358 still to be identified. The Airport is proposing to use the subject requested

\$1,054,761 to pay for a portion of the \$12,464,358 needed balance. According to Mr. David Glasser of the Airport, the remaining balance of \$11,409,597 (\$12,464,358 less \$1,054,761) will be paid from future interest income from San Francisco International Airport Second Series Revenue Bonds, Issue 5 and from a future sale of Master Plan Bonds.

Taxiway Construction and Repair (\$4,900,000)

This project will repair, construct and reconstruct pavement on various Airport taxiways on a priority basis based on need and usage. The subject requested \$4,900,000 would be used by the Airport to pay for contract services to perform the necessary work. Attachment I, provided by Mr. Glasser, details the total project budget of \$4,900,000.

Mr. Glasser advises that the contractors have not yet been selected to provide these contract services.

Perimeter Dike Reconstruction Project - Phase 8 (\$3,675,000)

This project is the 8th phase of the Airport Dike Reconstruction Program. The project involves the reconstruction of a dike on the Southeast shoreline of the Airport along Taxiways F and L. The requested \$3,675,000 would be used by the Airport to pay for the construction contract in the amount of \$3,494,600 plus \$180,400 for a portion of the construction contingency costs. Attachment I, provided by Mr. Glasser, provides the details for the total project budget of \$3,675,000

Construction of Hardstands for Large Aircraft and the repair of the Apron of Plot 3 (\$565,740)

This project involves (1) the construction of three concrete hardstands for large aircraft parking, and (2) the repair and overlay of the existing taxiway area and pavement in the apron of Plot 3 (space adjacent to taxiway). This will include raising of existing utilities, excavation, pavement removal, pavement painting, and field lighting.

The Airport advises that the total estimated cost of this project is \$990,000 or \$424,260 more than the requested \$565,740. According to Mr. Glasser, the \$424,260 will be paid for by previously appropriated bond funds. The requested \$565,740 would be used by the Airport to pay for a portion of the construction contract amount of \$722,317. Attachment I, provided by Mr. Glasser details the total project budget of \$990,000.

Construction - North Field Cargo Facilities (\$3,992,599)

This construction project involves (1) the reconfiguration of the cargo and maintenance facilities in the Airport's North Field area to provide more efficient facility access as well as additional aircraft parking area and (2) the design and construction of a common, multi-use, utilities trench, which would extend around the perimeter of the North Field Cargo Facilities site.

The Airport advises that the total estimated cost of this project is \$39,750,613. According to Mr. Glasser, of the \$39,750,613, the Airport has identified \$7,281,591 in previously appropriated bond funds, leaving a balance of \$32,469,022 still to be identified. The Airport is proposing to use the requested \$3,992,599 to pay for a portion of the \$32,469,022 needed balance. Mr. Glasser advises that the remaining balance of \$28,476,423 (\$32,469,022 less \$3,992,599) will be paid from future bond funds subject to appropriation approval by the Board of Supervisors. Attachment I, provided by Mr. Glasser, details the total project budget of \$39,750,613.

Mr. Glasser advises that the Airport has not, as yet, selected the contractors to provide these project services.

Comments:

1. As previously noted, the Airport has not, as yet, selected the contractor to provide the necessary work for the proposed Taxiway Construction and Repair project (\$4,900,000) and

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BUDGET ANALYST

the North Field Cargo Facilities project (\$3,992,599). Therefore, the proposed legislation should be amended to reserve a total of \$8,892,599 (\$4,900,000 plus \$3,992,599) pending the Airport's selection of contractors, and the submission of the MBE/WBE status of the contractors and contract cost details.

2. Attachment II lists the prime contractors, subcontractors and MBE/WBE status of the contractors and subcontractors for the Perimeter Dike Reconstruction Project and the Construction of Hardstands for Large Aircraft and the repair of the Apron of Plot 3 project.

Recommendations: 1. Amend the proposed ordinance to reserve a total of \$8,892,599 pending the selection of contractors, and the submission of the MBE/WBE status of the contractors and contract cost details.

2. Approve the proposed ordinance as amended.

San Francisco International Airport
Projects to be Funded from Interest Income
February 15, 1996

Attachment I
 Page 1 of 2

CT 2801 Parking Structure on Lot DD/HAL

Construction: \$38,000,000
 Contingency: \$2,700,000
 A E & I Design: \$2,700,000 (7.5% of construction)
 A E & I Inspect: \$2,700,000

Total Cost: \$44,100,000

\$31,635,642 Currently Funded

\$12,464,358 To be funded

\$44,100,000 Total Project Cost

This project is currently funded for \$31,635,642. The remaining balance of \$12,464,358 will be funded from future bond issues and interest income for FY 1994/95 in the amount of \$1,054,761 and subsequent interest income from future fiscal years.

CT 3082C Taxiway Construction and Repair

Construction: \$4,000,000
 Contingency: \$300,000
 A E & I Design: \$300,000 (7.5% of construction)
 A E & I Inspect: \$300,000

Total Cost: \$4,900,000

\$0 Currently Funded

\$4,900,000 To be funded

\$4,900,000 Total Project Cost

This project is not currently funded. The total cost of \$ 4,900,000 will be funded from interest income for FY 1994/95 in the amount of \$4,900,000.

CT 3128 Perimeter Dike Reconstruction, Phase B

Construction: \$3,494,800
 Contingency: \$100,000
 A E & I Design: \$40,200 (1.2% of construction)
 A E & I Inspect: \$40,200

Total Cost: \$3,675,000

\$0 Currently Funded

\$3,675,000 To be funded

\$3,675,000 Total Project Cost

This project is not currently funded. The total cost of \$ 3,675,000 will be funded from interest income for FY 1994/95 in the amount of \$3,675,000.

**San Francisco International Airport
Projects to be Funded from Interest Income
February 15, 1996**

Attachment I
Page 2 of 2

CT 3433 Plot 3 Hardstands

Construction :	\$722,317	
Contingency:	\$54,174	
A E & I Design:	\$106,755	(14.7% of construction)
A E & I Inspect:	\$106,755	

Total Cost: \$990,000

\$424,260 Currently Funded

\$565,740 To be funded

\$990,000 Total Project Cost

This project is currently funded for \$424,260. The remaining balance of \$565,740 will be funded from interest income for FY 1994/95 in the amount of \$575,740.

CT 5750 North Field Cargo Facilities

Construction :	\$32,449,480	
Contingency:	\$2,433,711	
A E & I Design:	\$2,433,711	(7.5% of construction)
A E & I Inspect:	\$2,433,711	

Total Cost: \$39,750,613

\$7,281,591 Currently Funded

\$32,469,022 To be funded

\$39,750,613 Total Project Cost

This project is currently funded for \$7,281,591. The remaining balance of \$32,469,022 will be funded from future bond issues and interest income for CY 1994/95 in the amount of \$3,992,599.

PERIMETER DIKE RECONSTRUCTION PROJECT
CONTRACT 3128 (FAA)**\$3,494,600****Contractor:** Gordon N. Ball
Not MBE/WBE

Subs:	Bay Hawk (DBE)	\$223,000	(6.4%)
	Esquivel Grading & Paving (MBE)	\$290,000	(8.3%)
	S & S Trucking (MBE)	\$275,000	(7.9%)

Goal: 22% DBE*****
**CONSTRUCTION OF HARDSTANDS FOR LARGE AIRCRAFT AND
THE REPAIR OF THE APRON OF PLOT 3****CONTRACT 3433 A (Set Aside)****\$722,317****Contractor:** Oliver Construction (MBE)

Subs:	R & W Concrete (MBE)	\$389,847	(54%)
	Earth Electric (MBE)	\$ 24,000	(3.3%)
	McCoy Security (MBE)	\$ 5,000	(0.7%)
	Lombardo Diamond Core	\$ 82,280	
	M. Bumgarner, Inc.	\$ 28,000	
	Airport Pavement Markings	\$ 8,950	

Goal: Combined 10%

Item 14 - File 101-95-58

Department: Airport

Item: Ordinance appropriating \$801,000 of Narcotics Forfeiture and Assets Seizure Fund revenues for equipment to allow the Airport to enhance its Narcotics Interdiction Program for Fiscal Year 1995-96.

Amount: \$801,000

Source of Funds: Narcotics Forfeiture and Asset Seizure Fund

Description: Pursuant to San Francisco Administrative Code Section 10.117-54, the Narcotics Forfeiture and Asset Seizure Fund was established to receive all assets acquired by City and County law enforcement agencies. This Special Fund requires that all expenditures made from the Fund be used specifically for enforcement, training, prevention, prosecution programs, and equipment to enhance the effectiveness of the enforcement of narcotics laws.

According to Officer Tom Strong of the SFPD, various City departments, such as the Sheriff, the San Francisco Airport Police and the SFPD receive a separate allocation of monies from the Narcotics Forfeiture and Asset Seizure Fund based on the amount of cash and other assets that are seized by each respective department during these enforcement activities. Officer Strong indicates that this allocation of funds to various City departments is based upon Federal and State guidelines.

- The proposed supplemental appropriation ordinance would appropriate \$801,000 from the Narcotics Forfeiture and Asset Seizure Fund to the San Francisco International Airport Police to (1) purchase response team/detection equipment for its Narcotics Interdiction Program, including protective clothing and other safety equipment and canines trained in detecting bombs and narcotics, and (2) to purchase law enforcement database computer system networks that will be used by all Airport Police.

The Airport's Narcotics Interdiction Program, which was formally established in 1988, is responsible for the investigation and abatement of narcotics trafficking at the Airport. Sgt. Mulkeen of the Airport Police advises that the Airport Police will use the proposed equipment to assist with surveillance and arrest of narcotic suspects, as well as for the purchase and training of 10 canines for the purpose of

detecting bombs and narcotics. Proposed response team/detection equipment would include: armaments, uniforms and protective equipment, firearms training equipment, explosives and narcotics detection equipment.

Sgt. Franicevich of the Airport Police advises that the proposed computer system network would enable Airport Police to (a) computerize record-keeping functions, (b) develop a database, (c) track arrest reports, and (d), in general, monitor all narcotic-related matters. The network would consist of 50 work stations placed at various locations throughout the Airport. According to Sgt. Franicevich, currently Airport Police do not have access to a computer system network.

Budget:	<u>Item</u>	<u>Amount</u>
	<u>Computer Equipment</u>	
	61 PCs and related upgrades and accessories	\$203,398
	9 Printers and related components/upgrades	24,395
	7 Network Hardware systems (and related components)	28,339
	2 Scanners and related equipment	2,848
	4 File Servers and related equipment	50,289
	2 Database Servers and related equipment	29,962
	1 Communications Server and related equipment	16,957
	2 Network Software systems (and word-processing and management software)	17,722
	Hardware Installation (75 hours @ \$85./hr; 75 hours @ \$110./hr.)	14,625
	1 Spare Network system (and related equipment)	5,306
-	Software Installation (150 hours @ \$85./hr.)	12,750
	Certified Netware Administration training	<u>4,050</u>
	Subtotal	\$410,641
	<u>Information Services</u>	208,700
	<u>Response Team/Detection Equipment</u>	<u>181,659</u>
	Includes Armaments, Uniforms and Protective Equipment, Firearms Training Equipment, Explosives and Narcotics Detection Equipment and Canines.	
	Total	\$801,000

Comments: 1. According to Ms. Helen Lucas of the Airport Finance Division, the proposed budget of \$208,700 for Information Services is preliminary in nature and the detailed budget is

not yet available. As of the writing of this report, it has not been determined whether the work would be performed in-house by City employees or performed by outside consultants. Therefore, the requested \$208,700 should be reserved, pending a determination of whether City staff or outside consultants would be utilized and submission of finalized cost details. If outside consultants are utilized, hours, hourly rates and the MBE/WBE status of the consultants should be provided. The proposed Information Services work would include programming, implementation, documentation, software acquisition, purchasing and customizing software packages, and training services to create and maintain a computerized report writing/intelligence/office automation project for the Airport.

2. Ms. Lucas states that the \$181,659 budgeted for the Response Team/Detection Equipment was based on the difference between the proposed supplemental request of \$801,000, less the amount of the computer equipment (\$410,641) and less the Information Services (\$208,700). As of the writing of this report, the Airport has not provided budget details to support the request of \$181,659 for the Response Team/Detection Equipment. Therefore, the \$181,659 requested for the Response Team/Detection Equipment should be reserved pending the submission of budgetary details.

3. Mr. Mike Ward of the Purchasing Department advises that the Purchasing Department currently has an ongoing, as-needed contractual agreement with three local companies to provide computer-related equipment to City departments. These three firms are Edge Information Systems, Desktop Products, and CIBER Network Services.

4. According to Mr. Dave Nitchman of the Airport's Data Processing Department, CIBER Network Services, Inc. was selected by the Airport to provide the proposed computer-related equipment, as well as installation and training, based on the firm's low bid of \$410,641. CIBER Network Services is neither a MBE or a WBE firm. The bid amount submitted by Edge Information Systems was \$734,844, which was based on a computer network system with 70 computers. A bid was not solicited from Desktop Products.

5. The proposed computer equipment is under a three-year manufacturer warranty for parts and labor. If any incidental maintenance and repair costs are incurred after the warranty expires, such costs would be paid out of the Airport's regular

operating budget, according to Mr. Dave Nitchman of the Airport's Data Processing Department.

6. Ms. Deborah Vincent-James of the Electronic Information Processing Steering Committee (EIPSC) advises that the Airport has received approval from EIPSC for the purchase of proposed computer system equipment totaling \$410,641. The Attachment is a memo from EIPSC confirming the approval of the Airport's request for computer-related equipment.

7. Ms. Flora Antiqua of the Controller's Office reports that as of February 12, 1996, the balance of the Airport's portion of the Narcotics Forfeiture and Asset Seizure Fund allocated to the Airport is \$1,004,262 or \$203,262 more than the \$801,000 requested amount of this supplemental appropriation.

- Recommendations:**
1. Amend the proposed Supplemental Appropriation ordinance to reserve a total of \$390,359, consisting of a) \$181,659 requested for the Response Team/Detection Equipment, pending the submission of budget details, and b) \$208,700 requested for Information Services, pending a determination of whether City staff or outside consultants would be utilized, finalized cost details, and estimated hours, hourly rates and the MBE/WBE status if consultants are to be utilized.
 2. Approve the proposed ordinance as amended.



CITY AND COUNTY OF SAN FRANCISCO
ELECTRONIC INFORMATION PROCESSING STEERING COMMITTEE

Edward Harrington, Controller
EIPSC Chair

MEMORANDUM

TO: Dave Nitchman, Airport Commission

FROM: Deborah Vincent-James *dvj*

DATE: February 14, 1996

SUBJECT: Airport Commission - Request to Purchase Hardware and Software Upgrades

EIPSC NO. 95-27/002

FY 1995-96

Your department's request to acquire hardware and software upgrades through Ciber Network Services, Inc. is approved.

Cost for this software is \$410,640.29.

dvj:gg

cc: Michelle Sampogna - Budget Analyst Office

eipapvlt

Item 15 - File 170-96-1

Department: Airports Commission

Item: Resolution approving the issuance of up to \$82,300,000 aggregate principal amount of San Francisco International Airport Second Series Revenue Bonds for the purpose of financing the Master Plan Mitigation Noise Insulation Program in accordance with the Master Plan Mitigation Memorandum of Understanding, together with certain infrastructure projects at San Francisco International Airport.

Amount: \$82.3 million

Source of Funds: Airport Revenues

Description: The San Francisco International Airport's Home Insulation Master Plan Mitigation Program consists of insulating private residences in five cities, including the City of Daly City, the City of Pacifica, the City of San Bruno, the City of South San Francisco, and the City of Millbrae. The five cities signed a 1992 Airport Master Plan Memorandum of Understanding (MOU) implementing the noise mitigation element of the Airport's Master Plan. Under the MOU, the Airport committed up to \$120 million through the year 2000 for insulation costs, and the five cities agreed not to commence litigation against the Airport for noise created by the Airport expansion. Three other cities, Burlingame, Brisbane and Foster City elected not to participate in the MOU.

The original intent of the Airports Commission was that the amount of up to \$120 million for insulation costs would be supported by Federal grants as follows: (a) the Airport would be reimbursed 80 percent of insulation costs, or up to \$96 million, by the cities that signed the MOU agreement, with monies that the cities received from the Federal Aviation Administration's Home Insulation Funding Program, and (b) the remaining 20 percent, or \$24 million, would be provided directly to the Airport as grant funds from the FAA. In the event that such FAA funds were unavailable, the Airports Commission would be fully responsible for the cost of providing noise insulation, according to Ms. Mara Rosales of the City Attorney's Office.

Mr. David Glasser of the Airport advises that, as of the writing of this report, the Airport expects to receive a total of approximately \$37 million, including reimbursements from

the cities and FAA direct grants to the Airport. However, because of changes in the FAA's noise contour map (a map that indicates areas which the FAA deems impacted by noise), Mr. Glasser reports that the Airport does not anticipate the cities receiving any additional FAA grant funds. Therefore, the Airport is requesting approval from the Board of Supervisors to issue up to \$82.3 million in Airport Revenue Bonds, at a maximum interest rate of 12 percent, to support the remaining costs of the Home Insulation Master Plan Mitigation Program.

The amount of the proposed Airport Revenue bonds, at \$82.3 million, is equal to the original \$120 million MOU obligation, less approximately \$37 million in estimated FAA grant funds due the Airport, less approximately \$9 million to reflect the reduced obligation allocated to cities that have elected not to participate, plus bond issuance costs of approximately \$8.5 million. (See below.)

**Justification for
Amount of Bonds:**

The following chart provides specific detail for the amount of the proposed Airport Revenue bonds.

Maximum Obligation Under the 1992 MOU (would support noise easements for participating cities)	\$120,000,000
Reduced Obligation, because certain cities elected not to participate in the MOU	<u>(9,168,000)*</u>
ADJUSTED MAXIMUM OBLIGATION UNDER THE MOU	\$110,832,000
Less estimated FAA grant funds received (including reimbursements from cities)	<u>(37,038,657)</u>
TOTAL AMOUNT TO BE FUNDED UNDER THE PROGRAM	\$73,793,343
Plus debt service reserve fund and bond issuance costs at approximately 10.3 percent of total proposed Airport Revenue Bond issue	<u>8,506,657</u>
TOTAL AMOUNT OF PROPOSED BOND ISSUE	\$82,300,000

According to Ms. Rosales, Charter Section 3.691 gives the Airports Commission the authority to manage, supervise, operate and control the Airport. In addition to these broad powers, Charter Section 7.306 gives the Commission the

specific authority to issue revenue bonds to acquire, construct, improve or develop airports or airport facilities.

Ms. Rosales advises that, pursuant to these powers, the Airports Commission has developed and the Board of Supervisors has approved a \$2.4 billion Airport Master Plan to improve and develop the Airport. The Master Plan Mitigation Noise Insulation Program, and the proposed Airport Revenue Bonds to support it, are necessary to carry out the Airport Master Plan, according to Ms. Rosales. Therefore, according to Ms. Rosales, it is legal for the Airports Commission to issue revenue bonds to support noise easements, because noise easements fall under the category of developing airports.

According to Mr. Glasser, the Airport Revenue Bonds are wholly the obligation of the Airport and are in no way the obligation of the General Fund.

Comments:

1. Mr. Glasser advises that if the Airport does not issue Airport Revenue Bonds to fund the Airport's Master Plan Mitigation Noise Insulation Program, the Airport would consider funding the Program through a pay-as-you-go approach for the four years until the Program terminates in the year 2000. Mr. Glasser advises that this approach would significantly increase Airport landing fees in a short time period (four years), versus allowing the Airport to fund the cost through increased landing fees over the 30-year bond repayment period.

2. Since the actual sale of up to \$82.3 million in Airport Revenue Bonds is not scheduled to take place until May of 1996, interest rates and terms have not been finalized for this issuance, according to Mr. Glasser. As noted above, the resolution approved by the Airports Commission states that the interest rate shall not exceed 12 percent. However, Mr. Glasser advises that based on current interest rates of approximately six percent, the total estimated debt service cost would be \$179,370,162, or approximately \$5,979,005 annually over a 30-year payment period.

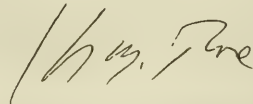
3. All expenditures of the proposed Airport Revenue Bond funds would be subject to separate appropriation approval by the Board of Supervisors.

4. As noted above, the Airports Commission's original intent was that the cost for the Master Plan Mitigation Noise Insulation Program would be supported by reimbursements in FAA grant funds from the cities that signed the MOU, in

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BUDGET ANALYST

the amount of up to \$96 million, and FAA grant funds paid directly to the Airport, in the amount of \$24 million. Although the Airport expects to receive approximately \$37 million in FAA reimbursements from the five cities and direct FAA grant funds, this is the first time the Airport has reported to the Board of Supervisors that Federal funding will not completely satisfy the Airport's financial responsibility for the Master Plan Mitigation Noise Insulation Program.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Supervisor Teng
Supervisor Yaki
Clerk of the Board
Chief Administrative Officer
Controller
Sam Yockey
Paul Horcher
Ted Lakey

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MINUTES
REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, FEBRUARY 28, 1996 - 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE, ROOM 410

MEMBERS: SUPERVISORS HSIEH, KAUFMAN, BIERMAN

CLERK: GREGOIRE HOBSON

DOCUMENTS DEPT

TIME MEETING CONVENED: 1:06 P.M.

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HEARINGS

1. File 200-96-1.2. [J. C. Decaux Contract] Hearing to review the contract between J. C. Decaux and San Francisco with regard to compliance with the requirements of the agreement. (Supervisors Kaufman, Alioto)

(Consideration Continued from 2/21/96)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Emilo Cruz, Chief of Staff, Office of the Mayor; Ann Branston, Acting Director, Department of Public Works; Richard Skaff, Access Coordinator, Department of Public Works; Mary Burns, General Manager, Recreation and Park Department; Rich Newirth, Director, Art Commission; Gerald Green, Planner; Department of City Planning; Jesse Smith, Deputy City Attorney. DECAUX REPRESENTATIVES: Suzanne Davis, Vice President; Harry O'Brien. IN SUPPORT: Edward Evans, North of Market Planning Coalition; Bill Geary, Smith/Catwell, Inc.; Wayne Sherman; Martin Deede, Photographer; Cole Roland. NO POSITION GIVEN: Shelley Saleri.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

VOTE: 2-1. (Supervisor Hsieh absent.)

4. File 102-95-11. [Salary Ordinance Amendment, Registrar of Voters] Ordinance amending Ordinance No. 256-95 (Annual Salary Ordinance, 1995/96) Registrar of Voters, reflecting the creation of one (1) position (Classification 1819N, MIS Specialist III) (Department of Human Resources) (COMPANION TO THE PRECEDING FILE)

(Consideration Continued from 2/21/96)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Germaine Q. Wong, Registrar of Voters; Dan McFarland, Director, Department of Electricity and Telecommunications. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 2-1. (Supervisor Hsieh absent.)

5. File 101-95-56. [Appropriation, Airport] Ordinance appropriating \$14,188,100, Airport, of interest earnings from various capital improvement projects (Five-Year Capital Projects Plan and Master Plan Projects), for fiscal year 1995-96. (Controller) RO #95153

(Consideration Continued from 2/21/96)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Leo Feldman, San Francisco Airport. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Place a reserve on \$8,892,599. AMENDED TITLE: "Ordinance appropriating \$14,188,100, Airport, of interest earnings from various capital improvement projects (Five-Year Capital Projects Plan and Master Plan Projects), for fiscal year 1995-96; placing \$8,892,599 on reserve."

VOTE: 2-1. (Supervisor Hsieh absent.)

6. File 101-95-58. [Appropriation, Airport] Ordinance appropriating \$801,000, Airport, of Narcotics Forfeiture and Asset Seizure Fund Revenues to purchase equipment to enhance the Narcotics Interdiction Program for fiscal year 1995-96. (Controller) RO #95116

(Consideration Continued from 2/21/96)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Sally Osaki, San Francisco Airport. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Place a reserve on \$390,359. AMENDED TITLE: "Ordinance appropriating \$801,000, Airport, of Narcotics Forfeiture and Asset Seizure Fund Revenues to purchase equipment to enhance the Narcotics Interdiction Program for fiscal year 1995-96; placing \$390,359 on reserve."

VOTE: 2-1. (Supervisor Hsieh absent.)

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

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February 23, 1996

TO: Budget Committee
FROM: Budget Analyst
SUBJECT: February 28, 1996 Budget Committee Meeting

Items 1 and 2 - Files 200-96-1.2 and 200-96-1

Note: These items were continued by the Budget Committee at its meeting of 2/21/96.

Item: Item 1 - File 200-96-1.2 Hearing to review the contract between J.C. Decaux and San Francisco with regard to compliance with the requirements of the agreement.

Item 2 - File 200-96-1 Hearing to consider the J.C. Decaux Company's toilets and kiosks as they relate to disability access issues and to compliance with the contract between the City and J.C. Decaux.

Description: In August of 1994, the Board of Supervisors approved a final, amended contract between the City and J.C. Decaux United Street Furniture (Decaux) to provide for the placement of public toilets on public property in San Francisco in exchange for granting to Decaux the right to place public service kiosks on public property and to sell advertising on those kiosks (File 115-93-8.1).

Major provisions of the contract between the City and J.C. Decaux are as follows:

- There will be two year trial period during which Decaux will install and operate 20 toilets and 90 kiosks, for a ratio of 1 toilet to 4.5 kiosks. At the end of the two year trial period, the City has the option to either end the program or continue the program with the installation of an additional 7 toilets and 31 kiosks, and, at the City's option, a further additional 23 toilets and 104 kiosks, for an overall total of up to 50 toilets and 225 kiosks, for the same ratio of 1 toilet to 4.5 kiosks. The City has the option to terminate the program after the two year trial period only if the Board of Supervisors makes a good faith determination that the toilet program has been unsuccessful due to excessive downtime, vandalism, or misuse of the facilities.
- Decaux will bear the entire cost of installing and maintaining the toilets and kiosks, at no cost to the City.
- After permits are issued, the City can request the relocation of up to one toilet or three kiosks in any 12-month period at Decaux's cost, however, any additional relocations requested by the City during that 12-month period would be at the City's cost.
- The public toilets require a 25¢ user fee to enter and use the facility. Decaux must provide tokens for the use of homeless and/or disabled persons who do not have 25¢, with such tokens to be distributed by non-profit organizations and at nearby newsstands. Decaux is required to keep an estimated 10,000 tokens in circulation at all times, replacing tokens as necessary.
- In order to cover the City's costs to administer the program, Decaux will pay the City an annual fee of \$25,000 for the first 27 toilets and \$500 annually for each toilet beyond 27, adjusted each year by the rate of inflation. In addition, Decaux must pay the City a one-time fee of \$350 for each toilet and for each kiosk to defray the cost of holding public hearings and determining specific locations for the toilets and kiosks.
- Decaux must pay the City 2 percent of the net revenues earned from the sale of advertising on the kiosks if such revenues exceed \$18,000 per kiosk annually for the first seven years of the program, and 5 percent of net advertising revenues if such advertising revenues exceed \$18,000 per kiosk beginning in the eighth year of the program, or, if the net advertising revenues exceed \$25,000 per kiosk, 7 percent of net advertising revenues beginning in the eighth year of the program, adjusted each year by the rate of inflation.

- One of the three sides of each kiosk must be devoted to public service uses or material, such as newsstands, City maps, public art, or announcements.
- If the City chooses to end the program after the two year trial period, the City may either; (a) have the toilets removed at Decaux's expense and have the kiosks removed, also at Decaux's expense, three years thereafter (five years from the start of the contract), or, (b) have the toilets removed and negotiate an amendment to the contract with Decaux such that the City would receive all advertising revenues from the kiosks in excess of an amount sufficient to cover Decaux's cost for the installation of the toilets and kiosks, and a reasonable return on Decaux's investment. Such a new contract would be subject to review and approval by the Board of Supervisors.

Comments:

1. Deputy City Attorney Jesse Smith reports that, as of the writing of this report, the City Attorney is working with the Mayor's Office to review a number of issues pertaining to the agreement between the City and Decaux, including the issues of; (a) excess advertising displayed on the kiosks, (b) rotation of the kiosks, and, (c) disabled access to the kiosks.
2. According to Mr. Jake Szeto of the Department of Public Works (DPW), as of the writing of this report, Decaux had installed a total of 17 toilets and 88 kiosks, of which 65 kiosks have advertising in place. Based on the 17 toilets and 65 advertising kiosks, for a ratio of 1 toilet to 3.8 kiosks with advertising, the DPW advises that they consider Decaux to be in compliance with the contract on this issue at this time. Mr. Smith advises that the City Attorney would also consider Decaux to be in compliance at this time, providing that the figures shown above as reported by DPW are correct. Mr. Szeto reports that installation of the remaining 3 toilets is expected to be completed by the end of the February. Under the contract with the City, Decaux is required to complete installation of the first 20 toilets within six months of the date by which all permits for the toilets and kiosks had been issued, known as the "start date" of the program, which was November 30, 1995, as designated by DPW.
3. Mr. Szeto advises that during certain periods of the program, the number of kiosks with advertising exceeded the ratio specified in the contract, and, during such periods, Decaux was considered by the DPW to be out of compliance with the contract. The Mayor has requested that Decaux turn over to the City the excess advertising revenues earned during

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such periods. Decaux has not agreed that they were out of compliance with the contract on this issue, however, as of the writing of this report, Decaux has paid the City approximately \$36,000, as a gesture of good faith. As noted above, the City Attorney is also presently reviewing the issue of excess advertising on the kiosks.

4. Mr. Szeto advises that City staff including the DPW's disability access coordinator met during the week of February 5th with Decaux regarding the issue of disabled access to the kiosks. According to the DPW, some newsstand kiosks are designed with "roll-up" doors, which present access problems to employees using a wheelchair who are stationed in those kiosks. These kiosks were a modification from the specifications in the contract approved by the Board of Supervisors. In addition, some kiosks have a "path of travel" access problem in which the kiosk is located on a sidewalk with a slope and has therefore been installed with a step that cannot be negotiated by a wheelchair. According to Mr. Szeto, Decaux has presented the DPW with a list of the sites with access problems, and a tentative plan for correcting these disability access problems. Mr. Szeto advises that Decaux and the DPW will meet on Friday, February 23 to set a proposed date by which time the access problems will be corrected.

5. Mr. Szeto advises that an Appendix to the contract between the City and Decaux contains an option which allows advertising kiosks to rotate. However, the language of the Appendix does not specify whether Decaux must have the City's permission for kiosks to rotate, according to the DPW. According to the City Attorney, rotating kiosks would require approval by the appropriate City regulatory agencies, such as the Planning Commission. Mr. Szeto notes that the DPW, and the Mayor's Office, have each demanded that Decaux stop the rotating kiosks, and, as of the week of February 19, Decaux has stopped the rotating kiosks. As noted above, the City Attorney is currently reviewing this issue.

Items 3 and 4 - Files 101-95-52 and 102-95-11

Note: These items were continued by the Budget Committee at its meeting of February 21, 1996.

Department: Registrar of Voters

Item: **File 101-95-52** - Supplemental appropriation ordinance appropriating \$195,195 from the General Fund Reserve for salaries, fringe benefits, other current expenses and equipment for the creation of one new position for Fiscal Year 1995-96.

File 102-95-11 - Ordinance amending the 1995-96 Annual Salary Ordinance to reflect the creation of one new position, Classification 1819N Management Information Systems (MIS) Specialist III.

Amount: \$195,195

Source of Funds: General Fund Reserve

Description: The proposed supplemental appropriation ordinance would provide funds to the Registrar of Voters for the period February 26, 1996 through June 30, 1996 for permanent salaries and fringe benefits for one new MIS Specialist III, and temporary salaries, other current expenses, and equipment, as follows:

Permanent Salaries	\$18,746
Temporary Salaries	32,370
Overtime	9,960
Mandatory Fringe Benefits	14,919
Other Current Expenses	65,200
Equipment Purchases	<u>54,000</u>
Total	\$195,195

In addition, the proposed ordinance (102-95-7) would amend the 1995-96 Annual Salary Ordinance to reflect the addition of one new MIS Specialist III, as follows:

No. of Positions	Title	Biweekly Salary	Maximum Annual Salary
1	MIS Specialist III	\$1,936 - \$2,354	\$61,439

After the November, 1995 election, certain questions were raised as to the procedures used by the Registrar of Voters in

the recording and counting of votes. This supplemental appropriation request would fund a new MIS Specialist III position and related costs in order to support information systems and other improvements for the Registrar of Voters. These improvements are intended to ensure better tracking and recording of votes and lessen the likelihood that an election will be jeopardized because of error on the part of the Office of the Registrar of Voters.

Currently, the Registrar of Voters has no position dedicated to the maintaining Department's computer system. Instead, computer system maintenance is performed on an ad hoc basis by various members of the Registrar of Voters staff. The proposed new MIS Specialist III would be solely responsible for maintaining and enhancing the Department's information systems on an ongoing basis, as well as responding to management and client demands for electoral information. According to Ms. Germaine Wong, Registrar of Voters, an MIS Specialist III was eliminated by the Mayor from the Department's FY 1993-94 budget, although the need for that position has continued. Ms. Wong advises that existing staff members perform MIS functions at the expense of their regular job duties, and the addition of this proposed new position would enable the existing staff to carry out their regular responsibilities in a more effective manner.

The cost for this MIS Specialist III for 7.2 pay periods, from March 18, 1996 to June 30, 1996, would be \$16,949. The remaining Permanent Salary costs, at \$1,797 (\$18,746 less \$16,949), would support a portion of the \$5,500 cost (approximately 25 working days) to fund the refilling of one Division Manager position which was done immediately after the prior incumbent resigned. Otherwise, the position could not have been filled until the resigning employee had used all her accumulated vacation and compensatory time off. (See Comment 3.)

The Division Manager who resigned occupied a professional position with a Z class designation. Mr. Wendell Pryor of the HRD advises that the appointing authority (in this case, the Registrar of Voters or the CAO) has the authority to allow or disallow an employee with a Z class designation to continue on the payroll at the termination of their employment until their compensatory time off has been exhausted. Mr. John Taylor, Clerk of the Board of Supervisors, advises that departments differ in regard to their policies on allowing Z class employees to remain on the payroll until their compensatory time is exhausted. Mr. Taylor advises that, in general, he does not allow Z class employees to remain on the

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BUDGET ANALYST

payroll until their compensatory time is exhausted, except in extenuating circumstances, such as illness of the resigning employee.

According to Mr. Steve Nelson of the Office of the Chief Administrative Officer (CAO), the Division Manager position is needed in connection with preparation work for the primary election in March, 1996.

The Temporary Salary costs, at \$32,370, and Overtime costs, at \$9,960, for a total combined Temporary Salary and Overtime request of \$42,330, are included in the proposed supplemental appropriation. For the purposes of this analysis, we have combined Temporary Salary and Overtime costs, since the Registrar of Voters may transfer expenditures between these two line items, according to Mr. Madden.

Mr. Nelson reports that the Registrar of Voters requires additional funds for Overtime and Temporary Salaries for the following reasons:

- Two new political parties — the Natural Law Party and Reform Party — submitted signature cards for verification at the time of the November, 1995 election, when Registrar of Voters staff was unavailable. Therefore, the Registrar of Voters hired temporary personnel to verify the signature cards;
- In previous years, voters have had the option of voting at City Hall instead of their precinct. In the March, 1996 election, voters will have the option of voting either at 633 Folsom Street, the Registrar's new office, or at the War Memorial. Therefore, the Registrar of Voters will require sufficient personnel to staff both locations for the March, 1996 primary election;
- Overtime hours were incurred to correct procedural problems related to the November, 1996 elections; and
- The Registrar of Voters has added a new quality control function — a review of the ballot pamphlets — that requires additional staff hours.

According to Ms. Wong, specific new expenditures for Overtime and Temporary Salaries are as follows:

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	Number	Approximate Cost per	Total
<i>Temporary Salaries</i>	<i>of Hours</i>	<i>Hour</i>	<i>Cost</i>
Voting at War Memorial	400	\$18.50	\$7,400
Voter Pamphlet Oversight	360	18.33	6,600
Two Additional Political Parties — Natural Law and Reform — for November, 1995 election*	240	18.33	4,400
Poll Worker Recruitment	800	18.36	<u>14,700</u>
TOTAL TEMPORARY SALARIES			\$33,100
 <i>Overtime</i>			
Voting at War Memorial	100	28.00	2,800
Voter Pamphlet Oversight	120	39.17	4,700
Two Additional Political Parties — Natural Law and Reform — for November, 1995 election*	90	27.78	2,500
Employees to Open Polling Places for 12/12/95 election*	245	20.00	<u>4,900</u>
TOTAL OVERTIME SALARIES			\$14,900
 TOTAL OVERTIME AND TEMPORARY SALARY NEED			 \$48,000

*These activities, totalling \$11,800, have already been completed and paid from the Registrar of Voters FY 1995-96 budget.

The following table shows the Budget Analyst's analysis of Overtime and Temporary Salaries for FY 1995-96, based on a projection of year-to-date expenditures, and expenditures associated with the proposed supplemental appropriation request:

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Item	FY 1995-96 Budget	Supplemental Appropriation Request	Actual	Estimated	Estimated Budget Surplus (Deficiency)
			Expenditures Estimated from 7/1/95 Through 1/31/96	Expenditures from 2/1/96 Through 6/30/96	
Overtime	\$32,000	\$9,960	\$90,575	\$72,196	(\$120,811)
Temporary Salaries	<u>1,038,645</u>	<u>32,370</u>	<u>510,701</u>	<u>393,486</u>	<u>166,828</u>
TOTAL	\$1,070,645	\$42,330	\$601,276	\$465,682	\$46,017

As indicated on the above table, the Budget Analyst anticipates that the Registrar of Voters will have a surplus of \$46,017. However, Ms. Wong advises that Overtime and Temporary Salary costs will be higher for the March, 1996 primary election than for both of the previous two elections this fiscal year, because each voter must receive a ballot pamphlet specific to his or her political party, and there are eight political parties for this primary election. Based on Ms. Wong's explanation and based on our analysis, we conclude that the \$46,017 surplus estimated above is needed by the Registrar of Voters.

Mandatory Fringe Benefits are included in the proposed supplemental appropriation at \$14,919. Mr. Nelson advises that Mandatory Fringe Benefits are typically calculated at 22 percent of permanent salary costs. Permanent Salary costs are included in this proposed supplemental appropriation request in the amount of \$18,746, of which 22 percent equals \$4,124. Mr. John Madden of the Controller's Office reports that Mandatory Fringe Benefits are required for Temporary Salary costs as well as Permanent Salary costs. Temporary Salary costs are included in the proposed supplemental appropriation request in the amount of \$32,370, of which 22 percent equals \$7,121. Therefore, the total amount of Mandatory Fringe Benefits needed is \$11,245 (\$4,124 plus \$7,121), or \$3,674 less than the requested amount of \$14,919.

Equipment purchases, at \$54,000, include \$4,000 for special equipment required for voting at the War Memorial building. The remaining \$50,000 would support a new telephone system. Mr. Dan McFarland, Director of the Department of Electricity and Telecommunications advises against the purchase of a new telephone system, because establishing a new phone system would not remedy the existing call processing problems. Mr. McFarland reports that DET is working very closely with the Registrar of Voters, Pacific Bell, and Siemens/ROLM to put in place solutions to resolve

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any call processing problems. These solutions include the use of an automatic call distributor and establishing maintenance fixes associated with the present Pacific Bell Voice Mail System, according to Mr. McFarland.

Other Current Expenditures, at \$65,200, would support the following:

<u>Item</u>	<u>Quantity</u>	<u>Cost</u>
Ballot card reader rental	4	\$2,000
Van purchase	1	7,100
Printers	3	7,500
Personal Computers	9	19,800
Voting Booth Lights	4,000	<u>28,800</u>
Total Other Current Expenditures		\$65,200

According to Mr. Ara Minasian of the Purchasing Department, the costs for the Van Purchase, Printers, and Personal Computers are reasonable. Mr. Minasian advises that the Purchasing Department is unable to provide cost information for the Ballot Card Reader Rental or the Voting Booth Lights. The \$7,100 amount for the purchase of a van would supplement \$15,000 already included in the Registrar of Voters budget. The cost of a natural gasoline fueled van would be \$22,000 to \$23,000, Mr. Minasian reports. The Chief Administrative Officer has a policy of purchasing only natural gasoline fueled vehicles.

Comments:

1. In December, 1995, the Rules Committee conducted a hearing to consider issues involving the Registrar of Voters with respect to the November 7, 1995 election. At that time, Mr. Bill Lee, CAO, reported that a Task Force composed of election experts from the California Secretary of State's Office, local registrar offices, and individuals from the City's Citizen's Advisory Committee on Elections would review the entire election process and make recommendations to the Mayor and the Board of Supervisors in order to improve future election procedures. According to Ms. Wong, the Task Force has provided its attached recommendations to her. Among the Task Force's recommendations, Ms. Wong advises, are the addition of an MIS Specialist, the addition of a quality control function consisting of a review of voter pamphlets, and the addition of voting at the War Memorial Building, all of which are included in this supplemental appropriation request. Other recommendations of the Task Force will be integrated into the Registrar of Voters FY 1996-97 budget, Ms. Wong reports.

2. Since the proposed MIS Specialist III is the subject of previous budgetary denial by the Mayor, that position must be approved by a two-thirds vote of the Board of Supervisors.

3. Ms. Wong advises that she has already incurred \$5,500 in increased Permanent Salary costs to refill immediately the Division Manager position while the incumbent was still receiving pay for accumulated vacation and compensatory time. Based on data previously provided by Mr. Nelson, this employee's compensatory time cost was estimated at \$2,805, and her vacation time cost was estimated at \$2,695. This supplemental appropriation request would support only \$1,797 of the total \$5,500 cost. The remainder, or \$3,703 (\$5,500 less \$1,797), will be absorbed by the existing budget of the Registrar of Voters, according to Ms. Wong.

4. Although, as noted above, the appointing authority has the authority to allow or disallow a professional Z class employee to continue on the payroll at the termination of his or her employment until accumulated compensatory time has been exhausted, the Budget Analyst questions a cash payment of an estimated \$2,805 for compensatory time to a professional Z class employee.

Recommendations: 1. Reduce the Mandatory Fringe Benefits by \$3,674, from \$14,919 to \$11,245 (File 101-95-52).

2. Based on the recommendations of Mr. McFarland, Director of the Department of Electricity and Telecommunications, reduce Equipment Purchases by \$50,000, from \$54,000 to \$4,000, to delete the expenditure for a new telephone system, which Mr. McFarland advises should not be purchased at this time (File 101-95-52).

3. Approval of \$2,805 for a cash payment for compensatory time to a professional Z-class employee is a policy decision for the Board of Supervisors. As previously noted, Mr. Pryor of the HRD advises that the appointing authority has the authority to allow or disallow an employee with a Z class designation to continue on the payroll at the termination of their employment until their compensatory time off has been exhausted. Mr. Taylor, Clerk of the Board of Supervisors, advises that departments differ in regard to their policies on allowing Z class employees to remain on the payroll until their compensatory time is exhausted. Mr. Taylor advises that, in general, he does not allow Z class employees to remain on the payroll until their compensatory time is exhausted, except in extenuating circumstances, such as illness of the resigning employee.

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Memo to Budget Committee
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4. Approve the supplemental appropriation request, as amended (File 101-95-52).
5. Approve the amendment to the Annual Salary Ordinance. (File 102-95-11).

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OFFICE OF THE
CHIEF ADMINISTRATIVE OFFICER

WILLIAM L. LEE
CHIEF ADMINISTRATIVE OFFICER

February 22, 1996

Mayor Willie L. Brown, Jr.
Members of the Board of Supervisors
401 Van Ness Ave., Third Floor
San Francisco, CA 94102

Dear Mayor Brown and Members of the Board of Supervisors:

As a result of situations which occurred during the conduct of the November and December, 1995 elections, I formed a Task Force to look into the Registrar's Office. There charge was to review all aspects of the office and to develop a comprehensive plan for ensuring that San Francisco had a state-of-the-art elections department. The result of those deliberations is attached to this letter.

I request that the Board of Supervisors reopen the hearing on the Registrar's Office so that this report can be discussed with you.

Should you have any questions, please feel free to contact me.

Sincerely,

William Lee
Chief Administrative Officer

TO: KAREN SIKKOLA
252-0461

FR: STEVE NELSON

9 PAGES

SUMMARY OF RECOMMENDATIONS**VOTING METHOD**

1. Continue to review other vote count systems and possibly work with Santa Clara County in the development of a better vote count system which relies less on translating candidate names to vote card numbers.
2. Implement absentee voting in the Veterans Building until such a time as the Registrar's Office returns to the Civic Center area.
3. Instruct the Citizens Advisory Committee on Elections to work with the Registrar's Office in developing a proposal for a Charter Amendment which would allow local elections to be conducted entirely by mail.
4. The Registrar should issue a press release prior to election night with estimates of the times that election results will be available.

OFFICE ORGANIZATION

1. Computer management should be broken out of the Operations Division and made into a separate division.
2. Training of both poll workers and temporary staff needs to be better managed. A new training position is recommended.

STAFFING

1. The following staffing changes are recommended:
 - Add a Computer Manager
 - Add a Trainer
 - Add 4 Assistant Division Managers
 - Upgrade the Secretary to an Administrative Assistant
 - Upgrade the Accounting position
 - Trade 2 Clerk Typists for 2 Elections Workers

EQUIPMENT

1. Upgrade all computer terminals in the office to Pentium PC's.
2. Upgrade the vote count system by purchasing three Pentium PC's (up from the existing two) and rent additional ballot card readers.
3. Replace mail processing equipment which is old and in need of repair.

TRAINING

1. Add the Trainer position mentioned above to coordinate training for poll workers and temporary employees.

POLL WORKERS

1. Support State legislation which would allow 16 and 17 year olds to be poll workers.
2. Target Social Studies programs at City College and San Francisco State for recruitment of poll workers.
3. Explore the concept of having one City employee assigned to each polling place in the City.
4. Provide positive reinforcement to poll workers who perform well.

LOCAL PRINTING

1. Continue with the new policy of printing all elections materials locally.

PRINTING QUALITY

1. Assign Registrar staff to oversee the printing, assembly and mailing of all ballot materials. Employees should be on-site at the locations of the various contractors used for these purposes.
2. Color code all elections materials by ballot type so that the materials can be easily scanned for problems.

VOTER REGISTRATION

1. Help private organizations identify areas of low voter registration and low voter turnout.
2. Assist these same groups after registration drives to determine how effective the drive was.

REPORT OF THE CAO ELECTIONS TASK FORCE

The Elections Task Force was established by the Chief Administrative Officer in response to situations which occurred during the November and December elections. The CAO chaired the Task Force whose members included:

John Mott-Smith, Secretary of State's Office
Janice Atkinson, Registrar of Voters, Sonoma County
Bradley Clark, Registrar of Voters, Alameda County
Citizens Advisory Committee on Elections
Ed Canapary
Chris Bowman
Kathleen Grogan
Susan Horsfall
Marcel Kapulica
Martha Knutzen
Gail Morthole
George Mix, Jr.
Peter Nardoza
Albert Reen
Samson Wong
Julie Moll, Ex-officio (City Attorney's Office)
Germaine Wong, Ex-officio (Registrar of Voters)

Steve Nelson, CAO Chief of Staff, acted as staff to the Task Force.

CONCLUSIONS

The Task Force reviewed a number of issues regarding the operation of elections in San Francisco. The charge given to the Task Force was to assist the City in developing a state-of-the-art elections system for San Francisco. The conclusions of the Task Force as related to these issues follows.

Voting Method

San Francisco presently uses a voting method which requires a voter to identify a candidate by number and then punch that corresponding number on a ballot card. The Task Force was concerned that the problem which occurred in the November, 1995 election (misbinding of voter information pamphlets resulting in some voters receiving the wrong candidate numbers) would result in voters thinking they had voted for a particular candidate when, in fact, they were actually voting for another candidate. As such, the Task Force looked at various other methods of voting, all of which had the common thread of allowing a vote to be based on a candidate's name rather than having to translate a name to a number.

Voting systems do exist which allow the names of the candidates and a description of the races to be placed on the material which is actually counted. Unfortunately, these systems also have downsides. All systems require a great deal of additional voting materials to be produced, requiring a greater number of pieces of voting material be counted. Where mechanical card readers are used, this could actually slow down the vote count. San Mateo uses a system which allows ballots to be counted at each polling place, with results uploaded via a computer disk. The downside of this system is that a logic and accuracy test must be run on each counting instrument. In San Francisco, this means that each of some 600 devices must be completely tested before and after the election.

Ms. Wong distributed a study commissioned by Santa Clara County, which is looking for a new vote count system. Their conclusion was that there were no complete vote count systems currently in existence which represented a great improvement over any of the systems currently in place. There may be some interest in developing a new system in conjunction with Silicon Valley computer firms.

The Task Force concluded that the Registrar should continue to search for a new vote count system and should attempt to work closely with Santa Clara County on developing the specifications for a new system.

There was also a discussion of the pros and cons of implementing a complete vote by mail system for local elections (State and Federal elections would be held in accordance with prevailing laws regarding the conduct of such elections). At present, the Charter requires that polling places be established for each election. Thus, without a Charter change, an exclusive system of voting by mail is not possible. Three attempts have been made to change this provision of the Charter. All three attempts failed to receive the necessary voter approval. Given the lower cost of running such an election, and the resultant higher voter turnout, the Task Force felt that it was appropriate to investigate this matter further and, as such, recommends that the Mayor and Board of Supervisors instruct the Citizens Advisory Committee on Elections to work with the Registrar of Voters to develop a proposal for a Charter amendment which would allow the City to conduct local elections by mail. The Secretary of State representative on the Task Force, Mr. Mott-Smith, was neutral on this subject.

The Task Force endorsed the request of certain members of the Board of Supervisors regarding absentee voting in the Veterans Building.

Finally, in regard to vote counting, the Task Force recommended that the Registrar issue a press release before each election detailing the approximate times that results will be made available on election night. It was felt that this increased communication with the press would be beneficial to both parties on election night and would result in fewer misunderstandings with the press.

Office Organization

The Task Force relied mainly on the experiences of Ms. Atkinson and Mr. Clark. Both felt that the basic organization of the Registrar's Office was proper. Both felt that the computer area deserved a manager of its own. Alameda County has a manager for the computer area, as well as another full time employee. Due to a budget cut a couple of years ago, San Francisco's computer area is managed by the same person who manages the operations area. The operations area includes maintenance of the voter registration file and absentee voting. Because computer operations tend to peak at the same time as the vote count, this person probably has too many responsibilities during that period.

Additionally, there was concern that the training of poll workers and the training of temporary office employees may be suffering due to the lack of a year-round training position. Temporary employees assist in training poll workers, but line managers are responsible for training most of the seasonal temporary employees. Given that the line managers are working managers (as opposed to simply managing), training may not get as much emphasis as it should.

Given these two concerns, the Task Force recommended that the Registrar consider changing the organization structure to include training and computer management.

Staffing

The Task Force, as a result of the input from Mr. Mott-Smith, Ms. Atkinson and Mr. Clark, felt that there was a serious understaffing problem in the Registrar's Office. This understaffing, in turn, led to employee burnout and was, in no small part, a leading contributor to the problems experienced in both the November and December election. Additionally, members of the Task Force felt that the use of 'working' managers (managers who must supervise other staff while still performing a great deal of line work) also led to some of the problems.

The discussion in this area generally followed the discussion of the office organization. Mr. Mott-Smith reported that a comparison of San Francisco with other California counties of similar size revealed that San Francisco had about half the number of staff that these other counties did. Both Ms. Atkinson and Mr. Clark felt that San Francisco was getting by with far fewer permanent staff than was appropriate. As stated above in the organization discussion, there was general belief that at least one full time staff person was needed for the computer area and that a full time trainer was needed.

Ms. Wong proposed the following organizational changes:

- Add 1 Computer Manager
- Add 1 Trainer (see below)
- Add 4 Assistant Managers, one for each office program
- Upgrade Secretary to Administrative Assistant
- Upgrade Accounting position reflecting more duties
- Trade 2 Clerk Typists for 2 Elections Workers

The upgrade of the Secretary to an Administrative Assistant would allow the Registrar to have an additional higher level employee to handle various office functions, including analysis and report preparation and back-up support to the division managers. The trade of the Clerk Typists for the Elections Workers would give the office more flexibility in assignments, including the training and supervision of temporary staff.

Ms. Wong proposed that the training position be a trainer/outreach coordinator position. The person in this position would assist the managers with the

development of training programs for the poll workers and temporary office staff, but would also assist with recruitment of polling places, poll workers and voter registration efforts.

Equipment

There was a general feeling that the equipment in the Registrar's Office was not adequate. Ms. Wong reported that the workstations connected to the file server include dumb terminals, 286 and 386 PC's. The two vote count PC's are old technology 486 PC's. These PC's are connected to very old ballot card readers which tend to break down frequently. Ms. Wong reported that other equipment used to process the mail is also old and in need of replacement.

Task Force members felt that it was very appropriate to replace the old computer equipment with new Pentium PC's. These PC's are faster and the better video displays in them allow computer operators to check signatures without as much eye strain. Ms. Wong proposed to also buy three Pentium PC's for the vote count system, an increase from the existing two PC's. Rather than buy new ballot card readers, Ms. Wong proposes to rent the readers. This will allow the vote count operation to be expanded to three PC, thereby increasing the speed of the count. However, since the City would not be buying the additional card readers, there would not be any sunk costs involved should the City decide to change voting systems to something which did not need this type of card reader.

The Task Force agreed with Ms. Wong's recommendations, both regarding the computer products and with the replacement of the mail processing equipment.

Training

Task Force members made a number of comments regarding the adequacy of training of both poll workers and temporary employees. Ms. Atkinson and Mr. Clark both provided materials used in their respective counties. Ms. Wong reviewed these materials and felt that a lot of the information was already included in San Francisco's training materials.

Ms. Wong also felt that the addition of the training position would allow San Francisco to better coordinate the training of both poll workers and temporary employees.

Poll Workers

This item generated the largest amount of discussion, as it was the area in which Ms. Wong felt San Francisco needed the most assistance. Generally, San Francisco must scramble to find an adequate number of poll workers. Every election, some number of precincts do not open on time because poll workers do not show up on time. Ideas to increase the pool of potential poll workers and to improve the percentage of polls opening on time included the following:

- support for legislation at the State which would allow 16 and 17 year olds to be poll workers
- a program which would allow people to "work off" parking or traffic violations by being poll workers
- enlarging the concept of "jury duty to "civic

- duty", which would allow a citizen to get credit for "civic duty" by being a poll worker
- assigning at least one City employee to be a poll worker at every precinct
- targeting students at City College of San Francisco more than is presently done

After discussing these concepts, the Task Force felt that the most appropriate methods would include support for the 16/17 year old poll worker legislation, targeting of City College students and exploring the concept of one City employee at each polling place. There was concern that the parking/traffic violation "work-out" would result in scofflaws being poll workers, something that the Task Force was uncomfortable with.

The Task Force agreed that the training position mentioned above could also be used to assist in the recruiting of poll workers.

The Task Force also felt that some positive reinforcement should be provided to poll workers who had performed well. There was some discussion of the type of reinforcement to be provided (ranging from certificates of merit to donations from private industry), but no firm recommendations were made.

Local Printing

Ms. Wong reported that only printers in the Bay Area would be used in the future. The Task Force agreed with this move, as it will be easier for the Registrar's Office to monitor the preparation of all ballot materials.

Printing Quality

The Task Force discussed methods for ensuring that the printing of all ballot materials was done correctly. Ms. Wong distributed a report she had commissioned from a statistician which indicated that some 23,000 random ballot books would need to be reviewed in order to have a 99% certainty (+/-1%) that all materials were properly prepared and addressed. Since such a review is not practically possible, other methods were discussed.

Ms. Wong proposed the following, which the Task Force agreed was appropriate.

Registrar's employee(s) would be on site during the preparation of the ballot materials and would perform spot reviews of the process. In addition, all materials related to a particular ballot type (both the cover and the inside pages) would be color coded. In that way, a Registrar employee could make an inspection of a pallet of ballot material and quickly determine if there were major problems by noticing a change in colors within the material.

Registrar employees will also be on site at the mail house to ensure that the proper ballot books are addressed and mailed to the appropriate area of the City.

Voter Registration

There was a discussion of how the Registrar's Office might be of greater assistance in voter registration

drives. Currently, the office, when it has the time, assists in such drives. However, the office feels that more work is needed, particularly in the Vietnamese, Hispanic and Russian emigre communities, where registration percentages are relatively low.

The Registrar proposed, and the Task Force agreed, that the addition of the training position, and the addition of new assistant manager positions, would allow the office to do more work on registration drives. Task Force members also suggested that the office look at the use of alternative media (other than print) such as television and the Internet, to increase awareness of the voting process.

The Task Force also agreed that the Registrar should help private organizations better identify areas of the City with low registration and/or low turnout percentages, thus allowing these organizations to better target their resources. Additionally, the Registrar should provide assistance to these organizations after registration or turnout drives to help them measure how successful the drive was.

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Item 5 - File 101-95-56

Note: This item was continued by the Budget Committee at its meeting of 2/21/96.

Department: Airport

Item: Ordinance appropriating \$14,188,100 of interest earnings from unexpended capital improvement funds for various capital improvement projects at the Airport.

Amount: \$14,188,100

Source of Funds: Interest earned on the following unexpended Airport and Capital Project Fund balances:

Airport Capital Project Fund	\$6,751,639
1967 General Obligation Bonds	30,562
1975, 1977, 1983, and 1990 Airport Revenue Bonds	2,303,825
1992 Refunding Bonds, Issue 1	34,854
1993 Refunding Bonds, Issues 2 through 4	19,860
1992 San Francisco International Airport Master Plan Bonds, Issues 5 and 6	<u>5,047,360</u>
Total	\$14,188,100

Description: The proposed supplemental appropriation of \$14,188,100 would be used to pay for five capital improvement projects, as follows:

Parking Facility (Master Plan Project) - \$1,054,761

The Airport's near-term Master Plan is a \$2.4 billion program involving capital project/facilities planning through FY 1999-2000. As a part of its Master Plan, the construction of a parking facility on Lot DD is currently underway at the Airport. When completed, this parking facility will be a free standing structure located near the United Airlines Maintenance Center and will contain approximately 3,000 parking spaces for Airport employees, employees of Airport tenants and for the general public. The Board of Supervisors previously approved the construction contract for this project (Files 100-91-40.2 and 101-92-11.2).

The Airport advises that the total estimated cost of this project is \$44,100,000, as shown in Attachment I provided by the Airport. Of the \$44,100,000, the Airport has identified \$31,635,642 in previously appropriated San Francisco International Airport Second Series Revenue Bonds, Issue 5 and previously appropriated Airport Capital Improvement Funds, leaving a balance of \$12,464,358 still to be identified. The Airport is proposing to use the subject requested

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BUDGET ANALYST

\$1,054,761 to pay for a portion of the \$12,464,358 needed balance. According to Mr. David Glasser of the Airport, the remaining balance of \$11,409,597 (\$12,464,358 less \$1,054,761) will be paid from future interest income from San Francisco International Airport Second Series Revenue Bonds, Issue 5 and from a future sale of Master Plan Bonds.

Taxiway Construction and Repair (\$4,900,000)

This project will repair, construct and reconstruct pavement on various Airport taxiways on a priority basis based on need and usage. The subject requested \$4,900,000 would be used by the Airport to pay for contract services to perform the necessary work. Attachment I, provided by Mr. Glasser, details the total project budget of \$4,900,000.

Mr. Glasser advises that the contractors have not yet been selected to provide these contract services.

Perimeter Dike Reconstruction Project - Phase 8 (\$3,675,000)

This project is the 8th phase of the Airport Dike Reconstruction Program. The project involves the reconstruction of a dike on the Southeast shoreline of the Airport along Taxiways F and L. The requested \$3,675,000 would be used by the Airport to pay for the construction contract in the amount of \$3,494,600 plus \$180,400 for a portion of the construction contingency costs. Attachment I, provided by Mr. Glasser, provides the details for the total project budget of \$3,675,000

Construction of Hardstands for Large Aircraft and the repair of the Apron of Plot 3 (\$565,740)

This project involves (1) the construction of three concrete hardstands for large aircraft parking, and (2) the repair and overlay of the existing taxiway area and pavement in the apron of Plot 3 (space adjacent to taxiway). This will include raising of existing utilities, excavation, pavement removal, pavement painting, and field lighting.

The Airport advises that the total estimated cost of this project is \$990,000 or \$424,260 more than the requested \$565,740. According to Mr. Glasser, the \$424,260 will be paid for by previously appropriated bond funds. The requested \$565,740 would be used by the Airport to pay for a portion of the construction contract amount of \$722,317. Attachment I, provided by Mr. Glasser details the total project budget of \$990,000.

Construction - North Field Cargo Facilities (\$3,992,599)

This construction project involves (1) the reconfiguration of the cargo and maintenance facilities in the Airport's North Field area to provide more efficient facility access as well as additional aircraft parking area and (2) the design and construction of a common, multi-use, utilities trench, which would extend around the perimeter of the North Field Cargo Facilities site.

The Airport advises that the total estimated cost of this project is \$39,750,613. According to Mr. Glasser, of the \$39,750,613, the Airport has identified \$7,281,591 in previously appropriated bond funds, leaving a balance of \$32,469,022 still to be identified. The Airport is proposing to use the requested \$3,992,599 to pay for a portion of the \$32,469,022 needed balance. Mr. Glasser advises that the remaining balance of \$28,476,423 (\$32,469,022 less \$3,992,599) will be paid from future bond funds subject to appropriation approval by the Board of Supervisors. Attachment I, provided by Mr. Glasser, details the total project budget of \$39,750,613.

Mr. Glasser advises that the Airport has not, as yet, selected the contractors to provide these project services.

Comments:

1. As previously noted, the Airport has not, as yet, selected the contractor to provide the necessary work for the proposed Taxiway Construction and Repair project (\$4,900,000) and

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the North Field Cargo Facilities project (\$3,992,599). Therefore, the proposed legislation should be amended to reserve a total of \$8,892,599 (\$4,900,000 plus \$3,992,599) pending the Airport's selection of contractors, and the submission of the MBE/WBE status of the contractors and contract cost details.

2. Attachment II lists the prime contractors, subcontractors and MBE/WBE status of the contractors and subcontractors for the Perimeter Dike Reconstruction Project and the Construction of Hardstands for Large Aircraft and the repair of the Apron of Plot 3 project.

Recommendations: 1. Amend the proposed ordinance to reserve a total of \$8,892,599 pending the selection of contractors, and the submission of the MBE/WBE status of the contractors and contract cost details.

2. Approve the proposed ordinance as amended.

**San Francisco International Airport
Projects to be Funded from Interest Income
February 16, 1986**

**Attachment I
Page 1 of 2**

T 2801 Parking Structure on Lot DD/UAL

Construction : \$38,000,000
 Contingency: \$2,700,000
 E & I Design: \$2,700,000 (7.5% of construction)
 E & I Inspect: \$2,700,000

Total Cost: \$44,100,000

\$31,635,642 Currently Funded

\$12,464,358 To be funded

\$44,100,000 Total Project Cost

This project is currently funded for \$31,635,642. The remaining balance of \$12,464,358 will be funded from future bond issues and interest income for FY 1994/95 in the amount of \$1,054,761 and subsequent interest income from future fiscal years.

3052C Taxiway Construction and Repair

Construction : \$4,000,000
 Contingency: \$300,000
 E & I Design: \$300,000 (7.5% of construction)
 E & I Inspect: \$300,000

Total Cost: \$4,900,000

\$0 Currently Funded

\$4,900,000 To be funded

\$4,900,000 Total Project Cost

This project is not currently funded. The total cost of \$4,900,000 will be funded from interest income for FY 1994/95 in the amount of \$4,900,000.

3128 Perimeter Dike Reconstruction, Phase B

Construction : \$3,494,800
 Contingency: \$100,000
 E & I Design: \$40,200 (1.2% of construction)
 E & I Inspect: \$40,200

Total Cost: \$3,675,000

\$0 Currently Funded

\$3,675,000 To be funded

\$3,675,000 Total Project Cost

This project is not currently funded. The total cost of \$3,675,000 will be funded from interest income for FY 1994/95 in the amount of \$3,675,000.

**San Francisco International Airport
Projects to be Funded from Interest Income
February 15, 1996**

Attachment I
Page 2 of 2

CT 3433 Plot 3 Hardstands

Construction :	\$722,317	
Contingency:	\$54,174	
A E & I Design:	\$106,755	(14.7% of construction)
A E & I Inspect:	\$106,755	

Total Cost: \$990,000

\$424,260 Currently Funded

\$565,740 To be funded

\$990,000 Total Project Cost

This project is currently funded for \$424,260. The remaining balance of \$565,740 will be funded from interest income for FY 1994/95 in the amount of \$575,740.

CT 5750 North Field Cargo Facilities

Construction :	\$32,449,480	
Contingency:	\$2,433,711	
A E & I Design:	\$2,433,711	(7.5% of construction)
A E & I Inspect:	\$2,433,711	

Total Cost: \$39,750,613

\$7,281,591 Currently Funded

\$32,469,022 To be funded

\$39,750,613 Total Project Cost

This project is currently funded for \$7,281,591. The remaining balance of \$32,469,022 will be funded from future bond issues and interest income for CY 1994/95 in the amount of \$3,982,599.

PERIMETER DIKE RECONSTRUCTION PROJECT

CONTRACT 3128 (FAA)**\$3,494,600**

Contractor: Gordon N. Ball
Not MBE/WBE

Subs:	Bay Hawk (DBE)	\$223,000	(6.4%)
	Esquivel Grading & Paving (MBE)	\$290,000	(8.3%)
	S & S Trucking (MBE)	\$275,000	(7.9%)

Goal: 22% DBE

CONSTRUCTION OF HARDSTANDS FOR LARGE AIRCRAFT AND
THE REPAIR OF THE APRON OF PLOT 3

CONTRACT 3433 A (Set Aside)**\$722,317**

Contractor: Oliver Construction (MBE)

Subs:	R & W Concrete (MBE)	\$389,847	(54%)
	Earth Electric (MBE)	\$ 24,000	(3.3%)
	McCoy Security (MBE)	\$ 5,000	(0.7%)
	Lombardo Diamond Core	\$ 82,280	
	M. Burngarner, Inc.	\$ 28,000	
	Airport Pavement Markings	\$ 8,950	

Goal: Combined 10%

Item 6 - File 101-95-58

Note: This item was continued by the Budget Committee at its meeting of 2/21/96.

Department: Airport

Item: Ordinance appropriating \$801,000 of Narcotics Forfeiture and Assets Seizure Fund revenues for equipment to allow the Airport to enhance its Narcotics Interdiction Program for Fiscal Year 1995-96.

Amount: \$801,000

Source of Funds: Narcotics Forfeiture and Asset Seizure Fund

Description: Pursuant to San Francisco Administrative Code Section 10.117-54, the Narcotics Forfeiture and Asset Seizure Fund was established to receive all assets acquired by City and County law enforcement agencies. This Special Fund requires that all expenditures made from the Fund be used specifically for enforcement, training, prevention, prosecution programs, and equipment to enhance the effectiveness of the enforcement of narcotics laws.

According to Officer Tom Strong of the SFPD, various City departments, such as the Sheriff, the San Francisco Airport Police and the SFPD receive a separate allocation of monies from the Narcotics Forfeiture and Asset Seizure Fund based on the amount of cash and other assets that are seized by each respective department during these enforcement activities. Officer Strong indicates that this allocation of funds to various City departments is based upon Federal and State guidelines.

The proposed supplemental appropriation ordinance would appropriate \$801,000 from the Narcotics Forfeiture and Asset Seizure Fund to the San Francisco International Airport Police to (1) purchase response team/detection equipment for its Narcotics Interdiction Program, including protective clothing and other safety equipment and canines trained in detecting bombs and narcotics, and (2) to purchase law enforcement database computer system networks that will be used by all Airport Police.

The Airport's Narcotics Interdiction Program, which was formally established in 1988, is responsible for the investigation and abatement of narcotics trafficking at the Airport. Sgt. Mulkeen of the Airport Police advises that the Airport Police will use the proposed equipment to assist with surveillance and arrest of narcotic suspects, as well as for the purchase and training of 10 canines for the purpose of

detecting bombs and narcotics. Proposed response team/detection equipment would include: armaments, uniforms and protective equipment, firearms training equipment, explosives and narcotics detection equipment.

Sgt. Franicevich of the Airport Police advises that the proposed computer system network would enable Airport Police to (a) computerize record-keeping functions, (b) develop a database, (c) track arrest reports, and (d), in general, monitor all narcotic-related matters. The network would consist of 50 work stations placed at various locations throughout the Airport. According to Sgt. Franicevich, currently Airport Police do not have access to a computer system network.

Budget:	<u>Item</u>	<u>Amount</u>
	<u>Computer Equipment</u>	
	61 PCs and related upgrades and accessories	\$203,398
	9 Printers and related components/upgrades	24,395
	7 Network Hardware systems (and related components)	28,339
	2 Scanners and related equipment	2,848
	4 File Servers and related equipment	50,289
	2 Database Servers and related equipment	29,962
	1 Communications Server and related equipment	16,957
	2 Network Software systems (and word-processing and management software)	17,722
	Hardware Installation (75 hours @ \$85./hr; 75 hours @ \$110./hr.)	14,625
	1 Spare Network system (and related equipment)	5,306
	Software Installation (150 hours @ \$85./hr.)	12,750
	Certified Netware Administration training	<u>4,050</u>
	Subtotal	\$410,641
	<u>Information Services</u>	208,700
	<u>Response Team/Detection Equipment</u>	<u>181,659</u>
	Includes Armaments, Uniforms and Protective Equipment, Firearms Training Equipment, Explosives and Narcotics Detection Equipment and Canines.	
	Total	\$801,000

Comments: 1. According to Ms. Helen Lucas of the Airport Finance Division, the proposed budget of \$208,700 for Information Services is preliminary in nature and the detailed budget is

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not yet available. As of the writing of this report, it has not been determined whether the work would be performed in-house by City employees or performed by outside consultants. Therefore, the requested \$208,700 should be reserved, pending a determination of whether City staff or outside consultants would be utilized and submission of finalized cost details. If outside consultants are utilized, hours, hourly rates and the MBE/WBE status of the consultants should be provided. The proposed Information Services work would include programming, implementation, documentation, software acquisition, purchasing and customizing software packages, and training services to create and maintain a computerized report writing/intelligence/office automation project for the Airport.

2. Ms. Lucas states that the \$181,659 budgeted for the Response Team/Detection Equipment was based on the difference between the proposed supplemental request of \$801,000, less the amount of the computer equipment (\$410,641) and less the Information Services (\$208,700). As of the writing of this report, the Airport has not provided budget details to support the request of \$181,659 for the Response Team/Detection Equipment. Therefore, the \$181,659 requested for the Response Team/Detection Equipment should be reserved pending the submission of budgetary details.

3. Mr. Mike Ward of the Purchasing Department advises that the Purchasing Department currently has an ongoing, as-needed contractual agreement with three local companies to provide computer-related equipment to City departments. These three firms are Edge Information Systems, Desktop Products, and CIBER Network Services.

4. According to Mr. Dave Nitchman of the Airport's Data Processing Department, CIBER Network Services, Inc. was selected by the Airport to provide the proposed computer-related equipment, as well as installation and training, based on the firm's low bid of \$410,641. CIBER Network Services is neither a MBE or a WBE firm. The bid amount submitted by Edge Information Systems was \$734,844, which was based on a computer network system with 70 computers. A bid was not solicited from Desktop Products.

5. The proposed computer equipment is under a three-year manufacturer warranty for parts and labor. If any incidental maintenance and repair costs are incurred after the warranty expires, such costs would be paid out of the Airport's regular

operating budget, according to Mr. Dave Nitchman of the Airport's Data Processing Department.

6. Ms. Deborah Vincent-James of the Electronic Information Processing Steering Committee (EIPSC) advises that the Airport has received approval from EIPSC for the purchase of proposed computer system equipment totaling \$410,641. The Attachment is a memo from EIPSC confirming the approval of the Airport's request for computer-related equipment.

7. Ms. Flora Antiqua of the Controller's Office reports that as of February 12, 1996, the balance of the Airport's portion of the Narcotics Forfeiture and Asset Seizure Fund allocated to the Airport is \$1,004,262 or \$203,262 more than the \$801,000 requested amount of this supplemental appropriation.

- Recommendations:**
1. Amend the proposed Supplemental Appropriation ordinance to reserve a total of \$390,359, consisting of a) \$181,659 requested for the Response Team/Detection Equipment, pending the submission of budget details, and b) \$208,700 requested for Information Services, pending a determination of whether City staff or outside consultants would be utilized, finalized cost details, and estimated hours, hourly rates and the MBE/WBE status if consultants are to be utilized.
 2. Approve the proposed ordinance as amended.



CITY AND COUNTY OF SAN FRANCISCO
ELECTRONIC INFORMATION PROCESSING STEERING COMMITTEE

Edward Harrington, Controller
EIPSC Chair

MEMORANDUM

TO: Dave Nitchman, Airport Commission

FROM: Deborah Vincent-James *dvj*

DATE: February 14, 1996

SUBJECT: Airport Commission - Request to Purchase Hardware and Software Upgrades

EIPSC NO. 95-27/002

FY 1995-96

Your department's request to acquire hardware and software upgrades through Ciber Network Services, Inc. is approved.

Cost for this software is \$410,640.29.

dvj:gg

cc: Michelle Sampogna - Budget Analyst Office

eipapvlt

Item 7 - File 170-96-1

Note: This item was continued by the Budget Committee at its meeting of 2/21/96.

Department: Airports Commission

Item: Resolution approving the issuance of up to \$82,300,000 aggregate principal amount of San Francisco International Airport Second Series Revenue Bonds for the purpose of financing the Master Plan Mitigation Noise Insulation Program in accordance with the Master Plan Mitigation Memorandum of Understanding, together with certain infrastructure projects at San Francisco International Airport.

Amount: \$82.3 million

Source of Funds: Airport Revenue Bonds

Description: The San Francisco International Airport's Home Insulation Master Plan Mitigation Program consists of insulating private residences in five cities, including the City of Daly City, the City of Pacifica, the City of San Bruno, the City of South San Francisco, and the City of Millbrae. The five cities signed a 1992 Airport Master Plan Memorandum of Understanding (MOU) implementing the noise mitigation element of the Airport's Master Plan. Under the MOU, the Airport committed up to \$120 million through the year 2000 for insulation costs, and the five cities agreed not to commence litigation against the Airport for noise created by the Airport expansion. Three other cities, Burlingame, Brisbane and Foster City elected not to participate in the MOU.

The original intent of the Airports Commission was that the amount of up to \$120 million for insulation costs would be supported by Federal grants as follows: (a) the Airport would be reimbursed 80 percent of insulation costs, or up to \$96 million, by the cities that signed the MOU agreement, with monies that the cities received from the Federal Aviation Administration's Home Insulation Funding Program, and (b) the remaining 20 percent, or \$24 million, would be provided directly to the Airport as grant funds from the FAA. In the event that such FAA funds were unavailable, the Airports Commission would be fully responsible for the cost of providing noise insulation, according to Ms. Mara Rosales of the City Attorney's Office.

Mr. David Glasser of the Airport advises that, as of the writing of this report, the Airport expects to receive a total of approximately \$37 million, including reimbursements from

the cities and FAA direct grants to the Airport. However, because of changes in the FAA's noise contour map (a map that indicates areas which the FAA deems impacted by noise), Mr. Glasser reports that the Airport does not anticipate the cities receiving any additional FAA grant funds. Therefore, the Airport is requesting approval from the Board of Supervisors to issue up to \$82.3 million in Airport Revenue Bonds, at a maximum interest rate of 12 percent, to support the remaining costs of the Home Insulation Master Plan Mitigation Program.

The amount of the proposed Airport Revenue bonds, at \$82.3 million, is equal to the original \$120 million MOU obligation, less approximately \$37 million in estimated FAA grant funds due the Airport, less approximately \$9 million to reflect the reduced obligation allocated to cities that have elected not to participate, plus bond issuance costs of approximately \$8.5 million. (See below.)

Justification for

Amount of Bonds: The following chart provides specific detail for the amount of the proposed Airport Revenue bonds.

Maximum Obligation Under the 1992 MOU (would support noise easements for participating cities)	\$120,000,000
Reduced Obligation, because certain cities elected not to participate in the MOU	<u>(9,168,000)*</u>
ADJUSTED MAXIMUM OBLIGATION UNDER THE MOU	\$110,832,000
Less estimated FAA grant funds received (including reimbursements from cities)	<u>(37,038,657)</u>
TOTAL AMOUNT TO BE FUNDED UNDER THE PROGRAM	\$73,793,343
Plus debt service reserve fund and bond issuance costs at approximately 10.3 percent of total proposed Airport Revenue Bond issue	<u>8,506,657</u>
TOTAL AMOUNT OF PROPOSED BOND ISSUE	\$82,300,000

According to Ms. Rosales, Charter Section 3.691 gives the Airports Commission the authority to manage, supervise, operate and control the Airport. In addition to these broad powers, Charter Section 7.306 gives the Commission the

specific authority to issue revenue bonds to acquire, construct, improve or develop airports or airport facilities.

Ms. Rosales advises that, pursuant to these powers, the Airports Commission has developed and the Board of Supervisors has approved a \$2.4 billion Airport Master Plan to improve and develop the Airport. The Master Plan Mitigation Noise Insulation Program, and the proposed Airport Revenue Bonds to support it, are necessary to carry out the Airport Master Plan, according to Ms. Rosales. Therefore, according to Ms. Rosales, it is legal for the Airports Commission to issue revenue bonds to support noise easements, because noise easements fall under the category of developing airports.

According to Mr. Glasser, the Airport Revenue Bonds are wholly the obligation of the Airport and are in no way the obligation of the General Fund.

Comments:

1. Mr. Glasser advises that if the Airport does not issue Airport Revenue Bonds to fund the Airport's Master Plan Mitigation Noise Insulation Program, the Airport would consider funding the Program through a pay-as-you-go approach for the four years until the Program terminates in the year 2000. Mr. Glasser advises that this approach would significantly increase Airport landing fees in a short time period (four years), versus allowing the Airport to fund the cost through increased landing fees over the 30-year bond repayment period.

2. Since the actual sale of up to \$82.3 million in Airport Revenue Bonds is not scheduled to take place until May of 1996, interest rates and terms have not been finalized for this issuance, according to Mr. Glasser. As noted above, the resolution approved by the Airports Commission states that the interest rate shall not exceed 12 percent. However, Mr. Glasser advises that based on current interest rates of approximately six percent, the total estimated debt service cost would be \$179,370,162, or approximately \$5,979,005 annually over a 30-year payment period.

3. All expenditures of the proposed Airport Revenue Bond funds would be subject to separate appropriation approval by the Board of Supervisors.

4. As noted above, the Airports Commission's original intent was that the cost for the Master Plan Mitigation Noise Insulation Program would be supported by reimbursements in FAA grant funds from the cities that signed the MOU, in

the amount of up to \$96 million, and FAA grant funds paid directly to the Airport, in the amount of \$24 million. Although the Airport expects to receive approximately \$37 million in FAA reimbursements from the five cities and direct FAA grant funds, this is the first time the Airport has reported to the Board of Supervisors that Federal funding will not completely satisfy the Airport's financial responsibility for the Master Plan Mitigation Noise Insulation Program.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 8 - File 101-95-57

Department: Department of Public Works (DPW)
Fire Department

Item: Ordinance appropriating \$597,410 of 1992 Fire Protection Bond proceeds for various capital improvement projects at the Fire Department.

Amount: \$597,410

Source of Funds: 1992 Fire Protection Bond Funds

Description: In November of 1992, the San Francisco voters approved the Proposition C Fire Protection General Obligation Bond Issue. A total of \$40.8 million in bonds were approved for capital improvements related to various Fire Department facilities. These capital improvement projects involve 32 separate projects of which 13 are seismic renovations involving nine fire stations and four other Fire Department facilities and 19 are fire station renovation projects including, but not limited to asbestos abatement, disabled access and separate restroom facilities for male and female Firefighters.

In 1993, the City sold \$16,410,000 (Series 1993D) of the \$40.8 million Fire Department Facilities Improvements Bonds. The \$16,410,000 in General Obligation bond proceeds was designated for (1) construction and related costs (2) design, architectural and project management services performed by the DPW, (3) project administration performed by the Fire Department and (4) a portion of the relocation costs for the relocation of personnel and equipment from the 32 Fire Department facilities to temporary sites during the construction work on the facilities.

In May, 1993, the Board of Supervisors approved a \$15,307,533 supplemental appropriation ordinance (File 101-92-60) from the \$16,410,000 in bond proceeds for construction costs (\$14,557,443), bond issuance costs (\$103,000), DPW project management (\$420,000), Fire Department project administration and related costs (\$117,090), Real Estate Department services (\$10,000) and relocation costs (\$100,000) for the first phase of the improvements to the Fire Department facilities, leaving an unappropriated balance of \$1,102,467. The Board of Supervisors approved one additional supplemental appropriation in the amount of \$505,057 for project administration and related costs (File 101-93-81) for the Fire Department, leaving a balance of \$597,410 (\$1,102,467 less \$505,057).

BOARD OF SUPERVISORS
BUDGET ANALYST

The proposed supplemental appropriation ordinance would appropriate the remaining \$597,410 to provide continued funding for two existing Fire Department positions (and related telephone costs), in the amount of \$229,870, for the period April 1, 1996 through March 31, 1997 (12 months) and to provide continued funding for two existing DPW positions, in the amount of \$152,540 for the period April 1, 1996 through January 31, 1997 (10 months). Such positions would continue to provide project management and administration. Additionally, this request would fund \$215,000 for a portion of the relocation costs for the relocation of personnel and equipment from the 32 Fire Department facilities to temporary sites during construction on the facilities.

Budget:

Project Administration for the period April 1, 1996 through March 31, 1997 (Fire Department)

1 - H-50 Assistant Chief (1 FTE)	\$102,582*
1 - H-30 Captain (1 FTE)	74,643*
Fringe Benefits (28%)	49,645
Telephone	<u>3,000</u>
Subtotal-Fire Dept. Administration	\$229,870

* These salary amounts reflect an increase of 1.5 percent effective July 1, 1996 and an additional increase of 1.5 percent effective January 1, 1997 and adjustments per the Fire Department's current Memorandum of Understanding (MOU).

These two existing positions would continue to be responsible for (a) all budgeting (supplemental appropriation requests, reserve release requests, etc.) and accounting activities for the above-noted improvement projects, (b) maintaining construction schedules including phasing in unanticipated, additional asbestos, lead based paint and hazardous materials removal work as needed, (c) developing relocation schedules for fire stations and other facilities during construction, (d) locating temporary sites for relocations, (e) creating planning and design criteria for health, safety and women's restrooms improvements and (f) working with DPW architects and engineers in formulating system designs, construction plans and specifications.

The Fire Department estimated that it will take a total of seven years beginning in July 1, 1993 and ending in 2000 to complete the improvements to the fire stations and other Fire Department facilities.

Project Management for the period April 1, 1996 through January 31, 1997 (DPW)

5270 Senior Architect (1 FTE)	\$62,250
5122 Asst. City Architect (.05 FTE)	3,890
Fringe Benefits	26,849
Overhead	<u>59,551</u>

Subtotal- DPW Project Management **\$152,540**

These two existing positions would continue to be responsible for project management including (a) facility assessment, (b) planning, (c) oversight of design and construction, (d) assistance in the preparation of supplemental appropriation requests, (e) assistance in the preparation of the bond program budget, and spending plan for bond sale, (f) monitoring project costs and project schedules, (g) monitoring and management of constructions contracts, and (g) liaison work with appropriate public and private agencies in connection with the on-going construction work.

Temporary Relocation Costs

Subtotal -Disruption Account **\$215,000**

According to Assistant Chief James Lynch of the Fire Department, the \$315,000 in bond proceeds from the \$16,410,000 bond sale represents a portion of the overall amount of \$402,000 previously designated for the relocation of personnel and equipment from the 32 Fire Department facilities to temporary sites during construction work on the facilities. A total of \$100,000 of the \$315,000 was previously appropriated. The Fire Department is now requesting that the remaining \$215,000 be appropriated. Assistant Chief Lynch advises that, as of the writing of this report, the Fire Department is unable to provide budget details for the requested \$215,000. Therefore, the \$215,000 should be placed on reserve pending the Fire Department's submission of the budget details for the relocation costs.

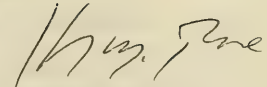
Total Appropriation Request **\$597,410**

Recommendations: 1. Amend the proposed ordinance to place \$215,000 on reserve pending the Fire Department's submission of budget details for the relocation costs.

2. Approve the proposed ordinance as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
February 28, 1996 Budget Committee Meeting



Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Supervisor Teng
Supervisor Yaki
Clerk of the Board
Chief Administrative Officer
Controller
Sam Yockey
Paul Horcher
Ted Lakey

SF
3/6/96
#2

MINUTES
REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, MARCH 6, 1996 - 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE, ROOM 410

MEMBERS: SUPERVISORS HSIEH, KAUFMAN, BIERMAN

CLERK: GREGOIRE HOBSON

DOCUMENTS DEPT.

TIME MEETING CONVENED: 1:08 P.M.

MAR 27 1996
SAN FRANCISCO
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HEARINGS

1. File 100-95-12. [Joint Report of Controller and Budget Analyst] Hearing to consider the joint report of the Controller and Budget Analyst, estimating the long-term budget impacts federal cuts will have on San Francisco's budget over the next seven (7) to nine (9) years. (Supervisor Hsieh)

(Consideration Continued from 2/21/96)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Ed Harrington, Controller; Sam Yockey, Budget Director, Office of the Mayor; Harvey Rose, Budget Analyst.
IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO MARCH 13, 1996.

VOTE: 3-0.

2. File 100-96-3. [Budget Status and Projections, State Budget Impact] Hearing to consider the status of San Francisco's budget; the budget projections for 1996-97; three year budget projections and impact of State's budget on San Francisco. (Supervisor Hsieh)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Ed Harrington, Controller; Sam Yockey, Budget Director, Office of the Mayor; Harvey Rose, Budget Analyst.
IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO MARCH 13, 1996.

VOTE: 3-0.

REGULAR CALENDAR

3. File 27-96-3. [Airport Emergency Roof Repair] Resolution approving a Declaration of Emergency, "Super Bay Hangar" emergency roof repair, Airport Contract No. 3641, San Francisco International Airport - \$150,000. (Airports Commission)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst.
IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

4. File 38-96-4. [Gift Acceptance, Police Department] Resolution authorizing the Chief of Police to accept, on behalf of the San Francisco Police Department, a gift of two (2) helicopters from the United States Department of Defense pursuant to the National Defense Authorization Act. (Police Department)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst;
Lt. Alex Fagan, Fiscal Division, S.F. Police Department. IN SUPPORT: None.
OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 2-1. (Supervisor Bierman dissenting.)

TIME MEETING ADJOURNED: 2:02 P.M.

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Attn: [REDACTED]

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

March 1, 1996

TO: Budget Committee

DOCUMENTS DEPT

FROM: Budget Analyst R. [REDACTED]

MAR 06 1996

SUBJECT: March 6, 1996 Budget Committee Meeting

SAN FRANCISCO
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Item 1 - File 100-95-12

Note: This item was continued by the Budget Committee at its meeting of February 21, 1996.

This item is a hearing concerning the long-term budget impacts that Federal budgetary reductions will have on the budget of the City and County of San Francisco over the next seven to nine years.

The Controller and the Budget Analyst will orally advise the Committee on any updated information obtained regarding the impacts which pending Federal budgetary reductions will have on San Francisco.



Memo to Budget Committee
March 6, 1996

Item 2 - File 100-96-3

This item is a hearing to consider the status of San Francisco's budget including budget projections for Fiscal Years 1996-97, 1997-98 and 1998-99 and the impact on the City's budget from pending or proposed Federal and State legislation.

Attached is a copy of the Joint Report dated February 22, 1996 prepared by the Controller, the Mayor's Director of Finance and the Board of Supervisors Budget Analyst pertaining to the City's financial condition for Fiscal Years 1996-97 through 1998-99.

The Controller, the Mayor's Director of Finance and the Board of Supervisors Budget Analyst will be prepared to respond to questions which the Committee might have pertaining to this matter.

BOARD OF SUPERVISORS
BUDGET ANALYST

MAYOR'S OFFICE OF
MANAGEMENT & BUDGET



BOARD OF SUPERVISORS
BUDGET ANALYST

OFFICE OF THE CONTROLLER

February 22, 1996

The Honorable Willie L. Brown, Mayor,
City and County of San Francisco
401 Van Ness Avenue, Room 336
San Francisco, CA 94102

Honorable Members of the Board of Supervisors
City and County of San Francisco
401 Van Ness Avenue, Room 308
San Francisco, CA 94102

Re: Three Year Budget Projection

Dear Mayor Brown, Ladies and Gentlemen:

Proposition F passed by the voters in November, 1994 called for a "joint report to be issued annually on the City's financial condition for the next three fiscal years from the Controller, the Mayor's budget analyst and the budget analyst for the Board of Supervisors." This is the report for 1996-97 through 1998-99.

Our projections attempt to show what would be required to provide a continuing level of service as well as an expanded level where required by policy or charter. This projection does not include:

- Any effect of pending or proposed Federal or State legislation, including potentially major changes in health and welfare funding;
- Any effect of proposed local legislation, such as changes to Retirement benefits.

Details supporting the following are in Attachment 1:

	<u>1996-97</u> vs. 95-96	<u>1997-98</u> vs. 96-97 (in millions)	<u>1998-99</u> vs. 97-98
Projected Revenue Shortfall	\$(87.1)	\$(41.1)	\$(59.0)

As you know, this is only a projection--before future budgets are finally adopted, steps must be taken to bring those budgets into balance. We also acknowledge that projections several years ahead are less certain than those for the immediate future. In addition, this report assumes that revenue shortfalls are corrected in the year in which they first appear. To the extent shortfalls are corrected with one-time revenue or expenditure solutions, subsequent years' shortfalls will worsen.

Finally, this report substantially reflects the cost of doing the same things in the same way. We strongly encourage innovative ideas and processes that will allow the City to continue to provide a high level of services to its citizens with increased efficiency and at lower cost.

Assumptions:

- There continues to be a great deal of uncertainty over the effects that the **Federal budget** will have on City programs and revenues, particularly in the areas of health and social services. Further, the Federal budget dictates, to a large degree, the State budget impacts on the City. At this time we cannot estimate the size or timing of the revenue shortfall that will result from Federal and State actions. We therefore have not included any estimate of proposed legislation in this projection.
- We assume there will be **moderate revenue growth** of 1-3% for property taxes and 3-7% for other revenues (see Attachment 2 for details). Please note that in some instances we have adjusted the growth calculation to exclude the effect of one-time revenues in a prior year.
- We assume employees will receive some increase in **salaries and benefits** over the next three years. However, it is difficult to make assumptions about the cost of these increases when negotiations have not taken place. We therefore separate our salary and benefit-related projections into three areas:
 - **The annualization of 95-96 Memoranda of Understanding (MOU) provisions.** In many instances, new benefits started in October, January or March of Fiscal Year 1995-96. The 1996-97 calculation shows the additional cost of having these provisions in place for an entire year.
 - **New provisions in existing MOU's.** These numbers reflect the cost of new provisions in the year in which they take effect. The only existing contract that has benefits in the third year is the recently approved Firefighters contract.
 - **Estimated cost of new MOU's.** Since these have not been negotiated, we had to make an assumption about what salary or benefit increases would be agreed upon in the future. Over the last few years, the City has agreed to pick up the full cost of an employee's share of retirement contributions for almost all staff. It has also picked up a substantial share of employees' dependent health care costs. We therefore have assumed that the only substantial costs of new negotiations will be salary increases which should grow at the rate of the Consumer Price Index (CPI). We have projected the growth in CPI to be 2.45 % in 1996-97, 2.85% in 1997-98 and 3.0% in 1998-99. The only other major cost increase could come from granting increased retirement benefits. Since no specific plan has been adopted in this area, we are not including any such potential costs.
- **Retirement rates** were lowered in January, 1996. The additional \$4 million of savings shown is the effect of that rate change on 1996-97.

- **Health Service System contributions** are established under the Charter by comparing the amount provided per employee to that paid by the largest 10 counties in California. Since these counties have reduced their contribution, the City reduces the amount it provides.
- **Debt service** related to lease financing of equipment purchases is expected to increase in the next few years. The large increase in 1998-99 is related to the new 800 MHz communication system and a portion of the 911 facility. Debt related to General Obligation bonds is not included in this projection since it is separately paid from property taxes.
- We show an increase of \$1.2 million in 1996-97 for debt related to the new **San Francisco General Hospital Garage** because we believe the Off-Street Parking Fund will need to retain an additional \$1.2 million of meter revenues to be able to make the debt service payments on this garage. These funds currently subsidize Muni Railway and would need to be backfilled by an increase in General Fund support to Muni.
- Proposition D from the June, 1994 election called for staffing the **Police Department** at 1,971 "full duty" officers. While substantially all of those officers were hired during 1994-95 and 1995-96, we include a small amount in the next several years to provide for the unusually high number of officers receiving salary step increases which occur in the first few years of employment.
- The City partially opened a **new jail** in December, 1994. The final operating unit, a centralized booking facility, is expected to open in Fall, 1996 and increased costs are shown on that basis.
- The 1995-96 budget anticipated a decline in **General Assistance** caseload. The decline has been more gradual than anticipated resulting in a projected increase in General Assistance for 1996-97 of \$1.2 million. We also project a \$1.7 million increase in cost for the **In Home Supportive Services (IHSS)** program due to a five percent increase in caseload and a reduction in the number of clients who are eligible for Federal Title IX reimbursement.
- **Public Health** is an area of great uncertainty given the status of Federal and State funding decisions. As noted above, we have not attempted to guess at what might occur and therefore have not included any estimate of the costs related to pending proposals. We also have shown all Citywide salary and benefit increases together in a separate line item; therefore this section does not represent all new costs associated with Public Health.

Since we were not attempting to predict the effect of pending Federal and State legislation, some Public Health numbers actually appear better than they did in our report of last year. For example, our 1995 joint report showed Public Health with an expected loss in 1997-98 of \$22.7 million. Most of those programs we predicted would be cut have remained steady in the current year but continue to be at risk in future years. This report does not attempt to adjust for these unknowns and therefore shows a net gain of \$2.6 million for 1997-98. Unfortunately if all pending Federal and State cuts are made, they could result in a loss of \$24 million from the Federal Government and an additional loss of \$20 million from the State in 1996-97 and presumably larger losses in subsequent years. As noted, we have not included these potential losses as part of our projections.

The increase of \$3.3 million over the next two years for **managed care** is expected to be fully reimbursed and is included in revenue projections. Finally, the new "**R Facility**" for mental health care at San Francisco General Hospital is expected to open next year. \$2.5 million represents costs above currently budgeted levels to fully fund the facility for an entire year.

- We expect **inflation** as measured by the consumer price index will grow by 2.45% in 1996-97 and 2.85% in 1997-98 and 3.0% in 1998-99. We assume that the costs of goods and services will increase accordingly along with the need to pass along cost of living increases to contractors.
- In 1995-96, the City had \$20 million of **available surplus** from 1994-95 to help balance the budget. We assume the 1995-96 budget year will end with the recently projected \$7.4 million surplus. The Controller's recently issued projection for 1995-96 also included a one-time savings of \$16.8 million that was legally available, but he recommended it be reserved for one-time expenditures. We concur that these one-time funds should be used for one-time expenditures to the extent possible. We therefore show a loss of \$12.6 million to reflect that we would not be carrying forward as much as in the current year.
- The goal for funding of **capital facilities maintenance** projects has been \$10 million for a number of years. Only \$9 million was budgeted in 1995-96. We are therefore projecting an increase of \$1 million in 1996-97 to achieve that goal. In addition, we project slight increases after that to keep pace with inflation.
- For a number of years the City has had a policy of starting each fiscal year with a General Fund **contingency reserve of \$10 million**. This reserve is almost always used during the year and must be replenished in the subsequent year. We assume this process will again occur in each of the next three years. We also assume that we need to start increasing the level of that reserve beyond \$10 million beginning in 1997-98 to reflect the overall growth in the budget.
- There are, of course, **other uncertainties** which may have an impact on the City's budget over the next three years which we have not included since no specific financial plan is available which requires funding. These include any increases to the Retirement Plan and related benefits; any cost of implementing the new Charter including creating the new Department of the Environment and moving the CAO functions into the Mayor's Office; and any costs related to jail overcrowding, changes to San Bruno jail or the use of the facilities on Treasure Island.
- Some departments have the ability to **raise some fees** or other reimbursement revenue when their costs increase. For this report, we assume that General Fund and General Fund-supported departments would need to look to the General Fund as the primary source of this support. To some extent, that assumption makes our projected budgetary shortfalls somewhat larger than may actually occur.

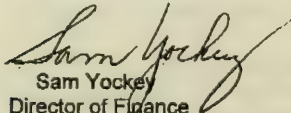
Mayor Brown and Board of Supervisors
Joint Report
February 22, 1996
Page 5

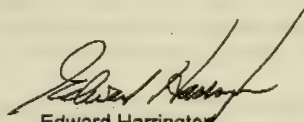
Summary

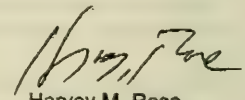
In summary, we are projecting a budgetary shortfall of \$87.1 million for Fiscal Year 1996-97, assuming a continuation of the same service levels as in Fiscal Year 1995-96, plus an expanded level of service where required by policy or Charter. Our projected budgetary shortfalls for Fiscal Years 1997-98 and 1998-99 are \$41.1 million and \$59.0 million respectively. None of our projections reflect any major decrease in State or Federal revenues which the City may receive. As previously indicated, when the City's annual budgets are finally adopted by the Mayor and the Board of Supervisors, such budgets must and will be fully balanced in accordance with Charter requirements.

This report is based on the best information available at this time. All three of our offices will continue to work closely together in the coming months and will keep you apprised of any changes that occur.

Respectfully submitted,


Sam Yockey
Director of Finance
Office of the Mayor


Edward Harrington
Controller


Harvey M. Rose
Budget Analyst
Board of Supervisors

Attachments

cc: Honorable Louise Renne, City Attorney
William Lee, Chief Administrative Officer
John Taylor, Clerk of the Board

City and County of San Francisco			
Three Year Fiscal Projections			
February, 22, 1996			
(General Fund -in millions)			
	1996-97	1997-98	1998-99
	vs. 95-96	vs. 96-97	vs. 97-98
Revenues:			
General Fund growth (Attachment 2)	\$17.5	\$22.5	\$30.0
Employee - related items:			
Annualization of 95-96 MOU provisions	(22.7)		
New provisions in existing MOU's	(24.0)	(8.3)	(3.9)
Estimated cost of new MOU's	(12.4)	(39.6)	(49.9)
Other:			
Retirement Rate decrease	4.0		
Health Service decrease	2.1		
One more working day in 96-97	(1.1)		
Debt service:			
General Fund	(3.5)	(1.3)	(10.8)
SFGH garage	(1.2)		
Annualization of 94-95 Items:			
Prop D Police staffing	(1.0)	(0.5)	(0.5)
Sheriff - new jail (includes \$0.7 for forensics)	(1.6)	(0.3)	
Social Services - General Assistance and IHSS	(2.9)		
Public Health:			
Public Health revenue projection	(8.2)	9.0	(1.3)
Inflation increase	(1.4)	(1.4)	(1.5)
Contractor COLA's	(3.3)	(3.4)	(3.5)
Mental Health Managed Care	(1.0)	(2.3)	
R Facility	(2.5)		
Other	3.8	0.7	
Other:			
Inflation	(3.6)	(4.3)	(4.6)
Contractor COLA's	(0.5)	(0.6)	(0.7)
Assume \$7.4 million carryforward surplus	(12.6)		
Increase capital budget	(1.0)	(0.3)	(0.3)
Restore General Fund Reserve	(10.0)	(11.0)	(12.0)
Total	(\$87.1)	(\$41.1)	(\$59.0)

CITY AND COUNTY OF SAN FRANCISCO
Major Revenues - General Fund and General Fund-Supported Departments
 (figures in thousands of dollars)

	FY94-95	FY95-96			Forecast					
	Actual	Budget	Projected	Base	FY96-97	Growth (4)	FY97-98	Growth	FY98-99	Growth
Property Taxes (1)	\$326,739	\$332,227	\$329,261	\$323,164	\$326,396 1.0%	(\$2,865)	\$326,759 2.0%	\$363 2.0%	\$333,294 2.0%	\$6,535
Business Taxes	167,670	171,517	171,517	171,517	177,520 3.5%	6,003	183,733 3.5%	6,213	190,164 3.5%	6,431
Sales Tax (2)	92,111	93,736	100,650	97,550	102,915 5.5%	2,265	108,061 5.0%	5,146	113,464 5.0%	5,403
Utility Users Tax	51,579	50,610	53,330	53,330	55,463 4.0%	2,133	57,682 4.0%	2,219	59,989 4.0%	2,307
Prop. Transfer Tax	20,038	20,433	20,719	20,719	22,169 7.0%	1,450	23,499 6.0%	1,330	24,909 6.0%	1,410
Hotel Tax (3)	34,651	34,691	37,622	37,622	40,296 6.5%	2,674	42,380 6.0%	2,084	44,925 6.0%	2,545
Parking Tax	24,073	24,870	26,251	26,251	26,251 0.0%	0	26,251 0.0%	0	26,251 0.0%	0
Public Safety Sales Tax	45,237	47,524	48,794	48,794	50,990 4.5%	2,196	53,029 4.0%	2,040	55,150 4.0%	2,121
Motor Vehicle in lieu	61,733	65,122	65,462	65,462	69,062 5.5%	3,600	72,170 4.5%	3,108	75,418 4.5%	3,248
Traffic Fines	48,285	53,079	49,715	49,715	49,715 0.0%	0	49,715 0.0%	0	49,715 0.0%	0
Total - Major Revenues % Change	\$872,116	\$893,809	\$903,321	\$894,124	\$920,778	\$17,457 1.9%	\$943,280	\$22,502 2.4%	\$973,280	\$30,000 3.2%

Notes:

- (1) Property tax base for FY96-97 estimate is \$6 million less than FY95-96 projection, and base for FY97-98 estimate is \$6 million less than FY96-97 revenue estimate, reflecting elimination of one-time gains from reductions in property tax loss reserve requirements.
- (2) Sales tax base for FY96-97 estimate is \$3.1 million less than FY95-96 projection, eliminating a one-time retroactive reallocation.
- (3) Projected net general fund hotel tax is not exactly equal to [base x growth rate], because of allocation requirements.
- (4) Growth is from prior year projected amount.

Item 3 - File 27-96-3

Department: San Francisco International Airport

Item: Resolution approving a declaration of emergency, "Super Bay Hangar" emergency roof repair, Airport Contract No. 3641.

Amount: \$150,000

Source of Funds: 1982 Series C Airport Revenue Bond Funds

Description: In accordance with Section 6.30 of the San Francisco Administrative Code, the Airport is requesting approval of the Board of Supervisors to declare an emergency for damage that occurred as a result of a high wind storm which occurred on December 11 and 12, 1995 in San Francisco. According to the Airport, damage occurred to the roof of the "Super Bay Hangar", which is used to repair 747 aircraft. This roof damage resulted in a portion of the building becoming inoperative, and without immediate repair, further extensive damage would occur to the support structure of the Hangar according to Mr. Ernie Eavis of the Airport. In addition, electrical hazards currently exist at the Hangar site.

According to Mr. Eavis, because of the emergency work that is required, and in accordance with Section 6.30 of the Administrative Code, the Airport did not utilize a formalized competitive bidding procedure to award the repair contract. Mr. Carl Farsai of the Airport reports that the Human Rights Commission (HRC) provided a list of City-certified roofing firms. Mr. Farsai advises that because of the specialized nature of the repair work (which includes the installation of sheet metal on top of a 200 foot high structure), only one City-certified firm submitted a quote. Mr. Farsai indicates that the contract has been awarded to Valley Sheet Metal in the amount of \$94,000. Valley Sheet Metal is neither an MBE or WBE firm. Mr. Farsai reports that Valley Sheet Metal has previously performed repair work on the subject Super Bay Hangar at the Airport.

The two firms which submitted bids, and the amount of those bids, are as follows:

Valley Sheet Metal (non-City Certified firm)	\$94,000
Garrison Roofing & Construction (City-Certified MBE/LBE)	\$108,000

BOARD OF SUPERVISORS
BUDGET ANALYST

Budget:

The estimated bid prices listed above include the cost of installing insulation boards. The estimated cost of the repair work, totaling \$150,000, is based upon the following:

<u>Construction Contract</u>	\$94,000
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<u>Other Structural Upgrades*</u>	34,000
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Related Engineering, Inspection
Airfield Safety

5256 Engineer (133 hrs @ \$30 hr)	\$4,000
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5254 Associate Engineer (154 hrs @ \$26 hr)	4,000
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5346 Engineering Associate (200 hrs @ \$20 hr)	4,000
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6318 Inspectors (231 hrs @ \$26 hr)	6,000
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9212 Airfield Safety Officer (182 hrs @ \$22 hr)	<u>4,000</u>
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Total Related Engineering, Inspection and Airfield Safety	<u>22,000</u>
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Total Estimated Damage	\$150,000
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*Estimate for additional structural work identified after the bids were solicited. The structural upgrade work would be performed by the contractor, Valley Sheet Metal.

Comments:

1. On January 2, 1996, the Governor issued a Proclamation of State of Emergency for the City and County of San Francisco, which could provide the City with reimbursement from State Natural Disaster Assistance Act (NDAA) funds for approximately 75 percent of eligible costs incurred as a result of the storms. Eligible costs include overtime, costs of supplies used during disaster response, and costs to repair, restore, reconstruct or replace real property or public facilities damaged as a result of the disaster. The Board of Supervisors subsequently approved a resolution (File 68-96-1) which authorized the Mayor and other City officials to file an application for State NDAA funds. According to Mr. Frank Schober of the Mayor's Office of Emergency Services (OES), the Airport's hangar repair project is included in the City's application for State reimbursement. Mr. Schober reports that the State will be conducting site visits over the next few weeks, but has not yet made any decisions on the amount to be reimbursed to the City for the damage to the hangar at the Airport. The Airport could receive up to \$112,500 (75

percent of \$150,000) in State reimbursements for the costs to repair the hangar.

2. Mr. Schober advises that the current revised estimated damage costs to the City from the December, 1995 high wind storms is \$32 million, which includes the subject \$150,000 emergency hangar repair project at the Airport.

3. The Airports Commission approved a resolution on February 6, 1996 which approved a declaration of an emergency for the "Super Bay Hangar" for the roof repairs to the Airport's Super Bay Hangar.

Recommendation: Approve the proposed resolution.

Item 4 - File 38-96-4

Department: Police Department

Item: Resolution authorizing the Chief of Police to accept, on behalf of the San Francisco Police Department, a gift of two helicopters from the United States Department of Defense pursuant to the National Defense Authorization Act.

Description: Section 10.116 of the Administrative Code requires approval of the Board of Supervisors for the acceptance of gifts to the City and County with a value greater than \$5,000. The United States Department of Defense has offered to donate two OH58 Bell Jet Ranger (light utility) helicopters to the City, for use by the Police Department, each of which has an estimated value of \$1.2 million. A light utility helicopter is a helicopter designed for five passengers.

According to Lieutenant Alex Fagan of the Police Department's Fiscal Division, these two helicopters would be used for (1) emergency situations, such as natural disasters, or high speed chases, and (2) searching Municipal Railway storage yards, the Port, and schools on a periodic basis for vandals. Lieutenant Fagan advises that the City does not currently own any helicopters. According to Lieutenant Fagan, upon request, the Police Department is provided helicopter services from the California Highway Patrol, and other neighboring cities through a mutual aid agreement. However, Lieutenant Fagan advises that this procedure has posed problems during some critical periods, such as during the Loma Prieta earthquake, when no helicopters were available to assist San Francisco. Lieutenant Fagan advises that the Police Department does not keep records of the number of requests for helicopter assistance, nor for the actual number of occasions that this assistance was provided.

Lieutenant Fagan advises that if the proposed resolution is approved, the Police Department would operate the two helicopters for a one-year trial basis in order to (1) determine if the helicopters have assisted the Police Department in fighting and deterring crime, and (2) determine if the cost to the City to operate the two helicopters would be offset by the benefits and savings to the City as a result of a reduction in vandalism, repair and replacement costs for the Municipal Railway, the Port, and the City's schools.

Comments: 1. According to Lieutenant Fagan, each of the two helicopters would be operated for an estimated 458 hours annually, or 916 hours total. Lieutenant Fagan advises that

BOARD OF SUPERVISORS
BUDGET ANALYST

the Police Department has been advised that the estimated cost to operate a helicopter would be approximately \$159 per hour, or \$145,644 annually for 916 hours. This amount includes the cost of (a) fuel, (b) spare parts, (c) ongoing maintenance, (d) pilot training, and (e) storage. However, of these potential cost factors, Lieutenant Fagan advises that the Police Department would only initially incur an additional cost for fuel, which is estimated at \$59 per hour, or \$54,000 annually for an estimated 916 hours. In addition, Lieutenant Fagan advises that there would be a one-time cost of \$17,000 in order to repaint the helicopters. The various potential costs are described as follows:

- Fuel As noted above, Lieutenant Fagan advises that the cost of fuel would be approximately \$59 per hour, or \$54,000 annually for 916 hours of helicopter operation. According to Lieutenant Fagan, the cost of fuel would represent an increase of \$54,000 in the Department's FY 1996-97 budget. According to Lieutenant Fagan, any fuel costs incurred in FY 1995-96 would be absorbed in the Department's existing FY 1995-96 budget.
- Spare Parts Lieutenant Fagan advises that the Department of Defense has agreed to donate spare parts to the Police Department (legislation to accept this gift will be submitted for approval to the Board of Supervisors). Lieutenant Fagan advises that these spare parts should be sufficient for replacement purposes over a three-year period. Mr. Fagan advises the Department is unable to estimate the annual cost of spare parts which could be incurred by the Police Department when the anticipated supply of spare parts is depleted. However, according to Lieutenant Fagan, it is likely that the Department of Defense would continue to donate spare parts to the Police Department beyond the level of spare parts that are currently proposed for donation. According to Lieutenant Fagan, it is possible that the Department of Defense may donate sufficient spare parts to be used for up to ten years.
- Ongoing Maintenance Lieutenant Fagan advises that ongoing maintenance for the two helicopters would be coordinated by the Police Department's Fleet Maintenance Division. The ongoing maintenance would be performed by four Police Department employees who are already licensed by the Federal Aviation Administration (FAA) to perform helicopter maintenance, according to Lieutenant Fagan. Lieutenant Fagan advises that any ongoing maintenance costs needed for the balance of the fiscal year would be absorbed in the Police Department's current FY 1995-96

BOARD OF SUPERVISORS
BUDGET ANALYST

budget. Lieutenant Fagan further advises that the ongoing maintenance costs for the two helicopters should not result in unusual costs beyond the Department's regular annual maintenance budget.

- Pilot Training Lieutenant Fagan advises that the Police Department currently has three employees who are licensed helicopter pilots. In addition, Lieutenant Fagan advises that there are other employees who are currently in the process of obtaining helicopter licenses. Lieutenant Fagan does not anticipate any additional costs would be incurred by the Police Department for training expenses.

- Pilot Premium Pay According to Lieutenant Fagan, premium pay would not be paid to helicopter pilots under the Department's pending Memorandum of Understanding (MOU) which is to be effective retroactively from July 1, 1995 through June 30, 1999. That MOU will be submitted for approval to the Board of Supervisors. Ms. Alice Villagomez of the Human Resources Department, advises that although the current MOU has not been finalized, neither the Police Officers Association nor the Police Department are considering the inclusion of premium pay for helicopter pilots. Ms. Villagomez advises that if it is determined that the helicopter pilots should receive premium pay, such pay would be negotiated in a new MOU agreement beginning in FY 1999-2000. Ms. Villagomez advises that she is unable to estimate potential future premium pay costs associated with the operation of helicopters.

- Storage Lieutenant Fagan advises that the two helicopters are anticipated to be stored at the Hunters Point Naval Shipyard, outside of Building No. 606, pending a lease agreement between the City and the Redevelopment Agency. Lieutenant Fagan advises that the primary purpose of the pending lease agreement is to relocate the Police Department's crime lab and two Police Department divisions. That lease agreement will be subject to approval by the Board of Supervisors.

- Repainting the Helicopters Lieutenant Fagan advises that the two helicopters are to be repainted at an estimated cost of \$17,000. Lieutenant Fagan advises that the \$17,000 cost has been included in the Department's FY 1996-97 budget request.

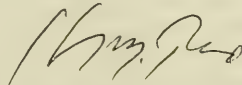
Officer Steve Youngs of the California Highway Patrol (CHP) advises that the costs estimated by the Police Department to

operate the two helicopters correspond to the actual costs incurred by the CHP for the same model helicopter.

In summary, of the potential costs associated with initially operating and maintaining two helicopters, the Police Department anticipates incurring an additional \$54,000 annually for fuel costs, and a one-time cost of \$17,000 to repaint the two helicopters. The Department does not anticipate incurring additional costs beyond its regular budgeted costs for spare parts, maintenance, and pilot training. Beginning in FY 1999-2000, Lieutenant Fagan estimates that there could potentially be additional costs associated with premium pay for its employees who serve as helicopter pilots.

2. Lieutenant Fagan advises that most major cities in the Bay Area and throughout California presently own helicopters, including Sacramento, Los Angeles, San Jose, Santa Clara, Oakland, Richmond, and Concord.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Supervisor Teng
Supervisor Yaki
Clerk of the Board
Chief Administrative Officer
Controller
Sam Yockey
Paul Horcher
Ted Lakey

MINUTES

JOINT BUDGET/GOVERNMENT EFFICIENCY AND LABOR COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

JOINT MEETING

WEDNESDAY, MARCH 6, 1996 - 2:00 PM

VETERANS BUILDING
401 VAN NESS AVENUE
ROOM 410

MEMBERS: SUPERVISORS TOM HSIEH, TOM AMMIANO, BARBARA KAUFMAN,
MABEL TENG, SUE BIERMAN, MICHAEL YAKI

CLERK: GREGOIRE HOBSON

DOCUMENTS DEPT

TIME MEETING CONVENED: 2:12 P.M.

AUG 27 1996

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1. File 165-96-1.2. [China Basin Ball Park Benefits and Costs] Hearing to consider the benefits and costs of the proposed China Basin ballpark.
(Supervisors Hsieh, Ammiano)

SPEAKERS: ELECTED OFFICIAL: Honorable Willie L. Brown, Jr., Mayor, San Francisco. DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Ken Bruce, Budget Analyst; Jose Luis Moskowitz, Director of Congestion Management, Transportation Authority. GIANTS REPRESENTATIVE: Larry Baer, Executive Vice President; Larry Chew, Community Liaison. IN SUPPORT: Ernestine Weiss; Denise LaPointe, representing Senator Quentin Kopp; John DeBenedeti; John Moylan; August Longo; Franklin Democratic Club; Milan Sikela; Anne Heinline, Commission on Physical Education; Anita Theoharis; Ann Williams, Dynamic Development Assoc.; Michelle Herrera, Giants Usher; Daniel Perez; Gary Moody; Rene De La Rosa; Steven Grurer; Deborah Houston; Richard Rodriguez; Tom Nolan, American Irish Alliance; Kevin Wong, Giants Parking; Tony Tsougarakis; David Herring; George Jackson; Gina Guidi, High School Student; Christie Kennedy; High School Student; Steven Spickard; Richard Warfel; Louis Spadia; Mariann Costello; Roland Medel; Frank Hapin; Brian David. OPPOSED: Louise Bird; Jeffrey Leibovitz; Joel Ventresca, Environmental Commission; Joe Bloss; Tomisetta Medall; David Miller; Kevin Williams, Friends of Candlestick Point; Jim Firth, San Franciscans for Planning Priorities; Sheryl Saper; Sara Ames; Peter Bouton; . NO POSITION: Ena Aguirre; Babette Drefke; Brad Benson, League of Conservation Voters.

ACTION: HEARING HELD. FILED.

VOTE: 4-2. (Supervisors Kaufman and Yaki absent.)

TIME MEETING ADJOURNED: 4:37 P.M.

CITY AND COUNTY



OF SAN FRANCISCO

DOCUMENTS DEPT.

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

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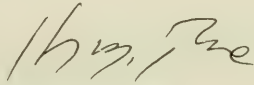
March 4, 1996

TO: Joint Budget/Government Efficiency and Labor Committee
FROM: Budget Analyst
SUBJECT: March 6, 1996 Joint Budget/Government Efficiency and Labor Committee Meeting

Item 1 - File 165-96-1.2

This item is a hearing to consider the benefits and costs of the proposed China Basin Ball Park. Refer to the Budget Analyst's report of March 4, 1996 pertaining to an analysis of the benefits and costs on the subject ball park.

The Budget Analyst will be prepared to respond to questions which the Joint Committee might have pertaining to this matter.


Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Ammiano
Supervisor Kaufman
Supervisor Teng
Supervisor Bierman
Supervisor Yaki
President Shelley
Supervisor Alioto
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Clerk of the Board
Chief Administrative Officer
Controller
Sam Yockey
Paul Horcher
Ted Lakey



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MINUTES
REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, MARCH 13, 1996 - 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE, ROOM 410

MEMBERS: SUPERVISORS HSIEH, KAUFMAN, BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:07 P.M.

HEARINGS

1. File 100-95-12. [Joint Report of Controller and Budget Analyst] Hearing to consider the joint report of the Controller and Budget Analyst, estimating the long-term budget impacts federal cuts will have on San Francisco's budget over the next seven (7) to nine (9) years. (Supervisor Hsieh)

(Consideration Continued from 3/06/96)

SPEAKERS: None.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO MARCH 20, 1996, MEETING.

VOTE: 3-0.

2. File 100-96-3. [Budget Status and Projections, State Budget Impact] Hearing to consider the status of San Francisco's budget; the budget projections for 1996-97; three year budget projections and impact of State's budget on San Francisco. (Supervisor Hsieh)

(Consideration Continued from 3/06/96)

SPEAKERS: None.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO MARCH 20, 1996, MEETING.

VOTE: 3-0.

REGULAR CALENDAR

3. File 28-96-3. [Emergency Repair, Golden Gate Avenue/Capp Street Sewer] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace structurally inadequate sewer in Golden Gate Avenue between Arguello Boulevard and Willard Street , north and in Capp Street between Adair Street and 152 feet northerly - \$192,030. (Department of Public Works)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

3-0.

4. File 38-96-6. [Gift, Lyon Street Garden Maintenance] Resolution accepting and acknowledging a gift of \$38,393.08, provided to the City and County of San Francisco by Lucille and George Jewett, Jr., for the maintenance of the permitted Lyon Street Garden during the calendar year 1995, and thanking Lucille and George Jewett, Jr., for their generous and beneficial gift. (Supervisor Kaufman)

SPEAKERS: None.

ACTION: HEARING HELD. RECOMMENDED.

3-0.

5. File 101-95-3.1. [Reserved Funds, Department of Public Works] Consideration of release of reserved funds, Department of Public Works (Broadway Parking Lot Revenues), in the amount of \$101,095 to fund the Clay/Washington Parcel Rezoning Project. (Department of Public Works)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$101,095 APPROVED. FILED.

VOTE: 3-0.

6. File 101-95-23. [Appropriation, Board of Supervisors] Ordinance appropriating \$169,000, Board of Supervisors, from Board Reserve to purchase equipment necessary to provide gavel to gavel coverage of Board meetings for fiscal year 1995-96. (Controller) RO #95068

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

7. File 101-95-43. [Appropriation, Mayor's Office] Ordinance appropriating \$100,000, Mayor's Office, from the General Fund Reserve for salaries and fringe benefits for fiscal year 1995-96; placing \$13,493 on reserve. (Estimate of vested vacation and fringes.) (Mayor) RO #95122

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

8. File 101-95-33. [Appropriation, Police Department] Ordinance appropriating \$398,676, Police Department, of Traffic Offender Fund Revenues to salaries, fringe benefits, contractual services, materials and supplies, equipment and services of other departments to conduct a traffic safety program for fiscal year 1995-96. (Controller) RO #95094.

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst: Lt. Fagan, representing Traffic Division, S.F. Police Department; Ed Harrington, Controller; Officer Robert Mattox, S.F. Police Department. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED. Reduce appropriation to \$317,095. Add a Section 2 to provide for ratification of action previously taken. Add a Section 3 place \$35,000 of the \$37,500 amount for computer contractual services on reserve. AMENDED TITLE: "Ordinance appropriating \$317,095, Police Department, of Traffic Offender Fund Revenues to salaries, fringe benefits, contractual services, materials and supplies, equipment and services of other departments to conduct a traffic safety program for fiscal year 1995-96; Providing for ratification of action previously taken and placing \$35,000 on reserve."

VOTE: 3-0.

9. File 101-95-59. [Appropriation, Rent Arbitration Board] Ordinance appropriating \$78,279, Rent Arbitration Board, of Rent Arbitration Board funds for salaries, management consulting services and other professional services for the Rent Arbitration Board for fiscal year 1995-96. (Controller) RO #95157

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

MOTION

10. File 98-96-1. [Management Audits, Budget Analyst Contract] DRAFT motion directing the Clerk of the Board of Supervisors to amend the Budget Analyst Agreement for Professional Services to include completion of management audits of all City and County departments every eight (8) years on an on-going basis and to submit a supplemental appropriation request in the amount of \$275,000 to fund the expansion for six (6) months in fiscal year 1995-96; by the amount of \$550,000 in future fiscal years in accordance with Section 4 of the agreement. (Supervisor Kaufman Teng)

SPEAKERS: None.

ACTION: CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

VOTE: 3-0.

11. File 170-95-6.2. [General Obligation Bonds, Series 1996A] Motion awarding bonds and fixing definitive interest rates for \$63,590,000, City and County of San Francisco General Obligation Bonds, Series 1996A City Hall Improvement Bonds. (Chief Administrative Officer)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Stephanie Carlisle, Office of the Chief Administrative Officer. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDMENT OF THE WHOLE BEARING SAME TITLE PRESENTED IN COMMITTEE BY STEPHANIE CARLISLE, OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER. AMENDMENT OF THE WHOLE ADOPTED. MOTION APPROVED BY BUDGET COMMITTEE BY THE FOLLOWING VOTE.

VOTE: 3-0.

TIME MEETING ADJOURNED: 1:59 P.M.

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3/13/96

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

March 8, 1996

TO: Budget Committee

FROM: Budget Analyst *Re: March 13, 1996 Budget Committee Meeting*

SUBJECT: March 13, 1996 Budget Committee Meeting

DOCUMENTS DEPT.

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Items 1 and 2 - Files 100-95-12 and 100-96-3

Note: These items were continued by the Budget Committee at its meeting of March 6, 1996.

These items are hearings concerning (a) the long-term budget impacts that Federal budgetary reductions will have on the budget of the City and County of San Francisco over the next seven to nine years and (b) the City's three-year budget projections and the impact of the State's budget on San Francisco.

The Controller and the Budget Analyst will orally advise the Committee on any updated information pertaining to these items.



Item 3 - File 28-96-3

Department: Department of Public Works (DPW)

Item: Resolution authorizing the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace two structurally inadequate sewers one of which is located on Golden Gate Avenue between Arguello Boulevard and Willard Street and the other which is located on Capp Street near Adair Street.

Amount: \$133,320 Sewer Repair at Golden Gate Avenue
58,710 Sewer Repair at Capp Street
\$192,030

Source of Funds: Repair and Replacement Fund - financed by Sewer Service Charges

Description: The DPW advises that on November 30, 1995, the DPW's Bureau of Street and Sewer Repair (BSSR) notified the City Engineer that (1) an existing 14" diameter sewer located on Golden Gate Avenue between Arguello Boulevard and Willard Street had longitudinal cracks on the side and crown and numerous offset joints and (2) an existing 16" diameter sewer located on Capp Street near Adair Street had numerous crushed sections, offset joints and longitudinal cracks on the side and crown. The DPW reports that accordingly, the BSSR requested an emergency contract to repair the damaged sewers.

Mr. P. T. Law of the DPW advises that in accordance with Section 6.30 of the Administrative Code, the DPW initiated expedited contract procedures on December 21, 1995 to acquire the necessary construction services. Mr. Law states that on January 5, 1996 the DPW selected Marinship Construction Services, an MBE firm, as the lowest of six responsible bidders for the sewer repair work at the Golden Gate Avenue location, based on a bid amount of \$133,320 and as the lowest of three responsible bidders for the sewer repair work at the Capp Street location, based on a bid amount of \$58,710. The repair work consists of replacing 484 feet of existing sewer at the Golden Gate Avenue location with 21" clay sewer pipe and replacing 152 feet of existing sewer at the Capp Street location with 12" diameter clay sewer pipe.

The list of bidders and the amounts bid are as follows:

Sewer Repair at Golden Gate Avenue

<u>Contractor</u>	<u>MBE/WBE/LBE</u>	<u>Bid Amount</u>
Marinship Construction	MBE/LBE	\$133,320*
Uniacke Construction Co.	LBE	\$126,518
Esquivel Grading & Paving	MBE/LBE	\$134,590
P & M Pipelines	LBE	\$132,270
Ranger Pipeline	LBE	\$156,080
A. Ruiz Construction Co.	MBE/LBE	\$203,150

* Marinship Construction was granted a 10 percent MBE/LBE preference resulting in the lowest bid amount of \$119,988.

Sewer Repair at Capp Street

<u>Contractor</u>	<u>MBE/WBE/LBE</u>	<u>Bid Amount</u>
Marinship Construction	MBE/LBE	\$58,710
Esquivel Grading & Paving	MBE/LBE	\$60,895
A. Ruiz Construction Co.	MBE/LBE	\$67,677

According to Mr. Law, the repair work on the sewer located at Capp Street was completed on February 2, 1996 and the repair work on the sewer at the Golden Gate Avenue location is anticipated to be completed on March 16, 1996.

Recommendation: Approve the proposed resolution.

Item 4 - File 38-96-6

Department: Department of Public Works (DPW)

Item: Resolution accepting and acknowledging a gift of \$38,393.08, provided to the City and County of San Francisco by Lucille and George Jewett, Jr. for the maintenance of the Lyon Street Garden during calendar year 1995, and thanking Lucille and George Jewett, Jr. for their generous and beneficial gift.

Description: In 1986, the Department of Public Works issued a revocable permit to Lucille and George Jewett Jr. to occupy portions of the sidewalk and street areas at Broadway and Lyon Streets, adjacent to the Presidio. The improvements provided by the Jewetts included the installation of planter boxes, an irrigation system, concrete landings, a wall and sidewalk, a granite curb, driveway ramp, lighted handrails and landscaping improvements. Since 1986, the Jewetts have maintained this Lyon Street Garden area, which is adjacent to their residence. During 1995, the Jewetts provided maintenance services, which the Jewetts valued at \$38,393.08 for the Lyon Street Garden. These maintenance and improvements included shrub plantings, landscaping and the planting of flowering annuals.

The proposed resolution would accept and acknowledge this in-kind gift valued at \$38,393.08 by the Jewetts, on behalf of the City and thank the Jewetts for their generous and beneficial gift. According to the office of Mr. Jewett, the proposed resolution would provide the Jewetts with the necessary documentation to satisfy the Federal Internal Revenue Service (IRS) requirements for a charitable tax deduction.

Comments: 1. Ms. Brady indicates that the DPW issued an encroachment permit, for use of a legal right-of-way to the Jewetts in 1986. This encroachment permit required that the Jewetts improve and maintain the subject area. As noted above, these improvements would also be used for the purpose of a charitable tax deduction for income tax purposes.

2. Mr. Mel Baker of the DPW reports that since 1986, the Jewetts have provided the enhanced maintenance of the Lyon Street steps and garden area. Mr. Baker indicates that if the DPW instead would provide the City's basic monthly maintenance services for the Lyon Street steps, the DPW's costs would be approximately \$5,500 per year. Mr. Baker reports that the DPW does not currently provide any

improvements or maintenance services to this area. In addition, Ms. Brady states that the revocable permit issued to the Jewetts by the City requires that the Jewetts provide enhanced maintenance of the Lyon Street Garden area, and if the Jewetts no longer follow the conditions of the permit, the City would only be required to provide the City's basic monthly maintenance services.

3. Ms. Brady indicates that the total amount of \$38,393.08 is the value of only the maintenance services provided by the Jewetts in 1995, with the value of \$38,393.03 determined by the Jewetts. According to Ms. Brady, this amount, which is reported to be the value of the gift, has not been verified by the DPW.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 5 - File 101-95-3.1

Departments: Department of Public Works (DPW)
Chief Administrative Officer

Item: Hearing to consider release of reserved funds, Department of Public Works (Broadway Parking Lot Revenues), in the amount of \$101,095 to fund the Clay/Washington rezoning project.

Amount: \$101,095

Source of Funds: Broadway Parking Lot (BPL) revenues

Description: In August of 1995, the Board of Supervisors approved a supplemental appropriation ordinance appropriating \$200,000 in Broadway Parking Lot Revenues, including \$101,095 for conducting an Environmental Review by a consulting firm. The \$101,095 was placed on reserve by the Budget Committee pending selection of the consultant to perform an Environmental Review, the hourly rates, and the estimated hours and the MBE/WBE status of the consultant (File 101-95-3). This is a hearing to consider the release of the \$101,095 previously placed on reserve.

In 1989, the Loma Prieta earthquake destroyed parts of the Embarcadero Freeway, leading to its complete demolition. As a result, parcels of land formerly part of the Embarcadero Freeway right-of-way and owned by the California Department of Transportation (CalTrans) were left vacant at Broadway and Clay/Washington Streets. In 1991, the State Legislature approved AB 181, requiring CalTrans to transfer this land to the City. AB 181 also specified that the City use this land, or proceeds from the sale of this land, to construct an alternate system of local streets.

The \$200,000 supplemental appropriation was approved to fund costs associated with the rezoning of land at Clay/Washington Streets. The purpose of the rezoning is to maximize the sale revenue from this land, revenue which will be used to help fund the Mid-Embarcadero Replacement Project, in conformance with the requirements of AB 181. The amount of \$101,095, which was placed on reserve, represented the proportion of consultant fees allocated from the \$200,000 supplemental appropriation to support the Environmental Review pertaining to the Clay/Washington Street parcels. An additional \$80,405 was to be allocated from Sales Tax revenues for these consultant fees, for a total

of \$181,500 for consultant fees. (The \$80,405 was subject to separate allocation by the Transportation Authority.)

The DPW is requesting that the \$101,095 reserve be released, since a consultant has been selected to perform the Environmental Review. According to Ms. Tina Olson of the Department of Public Works, the DPW issued a Request for Proposal (RFP) in August of 1995. Ms. Olson advises that:

- √ the RFP was formally advertised in the *Independent* and *Small Business Exchange* newspapers for one week;
- √ the DPW submitted notices to 27 MBE/WBE organizations, such as Chinese for Affirmative Action and the San Francisco Hispanic Chamber of Commerce, for distribution to their members;
- √ the DPW telephoned eight environmental review firms informally to inform them of the RFP; and
- √ six firms attended the pre-bid conference.

However, the DPW received only one proposal, from EIP Associates, in an amount of \$290,790. Subsequently, the DPW has negotiated with EIP Associates to reduce the contract amount to a base amount of \$215,300. In addition, DPW has planned for a ten percent contingency, at \$21,530, for a total maximum cost of \$236,830.

Revenues to Support the Entire Contract Cost

The total cost of \$236,830 represents an increase of \$55,330, or over 30 percent from the amount of \$181,500 included for Environmental Review services (\$101,095 in the original supplemental appropriation request and \$80,405 in Sales Tax revenues). The reasons for this increase are: (1) the scope of work for the Environmental Review has been expanded to include an analysis of two additional project alternatives, which will require an additional \$33,800, including approximately 412.2 additional hours at an average cost of \$82 per hour; and (2) contingency costs of \$21,530 were not previously included in the project budget, Ms. Olson reports. Funds for these additional costs will be supported by previously allocated Redevelopment Agency Funds, at \$55,330. Thus, the total contract cost of \$236,830 is funded as follows:

Table 1
Funding Sources for Proposed
Environmental Review Contract

Amount of reserve requested for release (subject of this request)	\$101,095
Sales Tax revenues	80,405
San Francisco Redevelopment Agency funds	<u>55,330</u>
Total Revenues for Proposed Environmental Review Contract	\$236,830

The attachment to this request is a memorandum from Ms. Olson justifying the 30 percent increase in costs, including an explanation of the original hours, and the additional hours for the two new project alternatives.

San Francisco Redevelopment Agency Revenues

According to Ms. Olson, subsequent to Board of Supervisors approving the \$200,000 DPW supplemental appropriation request in August, 1995, the San Francisco Redevelopment Agency (SFRA) has begun to participate in the project to develop the Clay/Washington Streets parcels. Mr. Michael Kaplan of SFRA advises that the northern half of Block 202 is in the Agency's Golden Gateway Redevelopment Project Area and the Agency may be submitting legislation to the Board of Supervisors to add the other parts of Block 202 and all of Block 203 to the Golden Gateway Redevelopment Project Area, depending on the results of the current SFRA planning and study efforts. Thus, SFRA has agreed to fund \$55,330 of the costs associated with the contract for Environmental Review, Mr. Kaplan advises.

Sales Tax Revenues

The Sales Tax Revenues to be used to support this proposed contract for Environmental Review services, in the amount of \$80,405, were appropriated by the Transportation Authority in April, 1996, Ms. Olson advises.

MBE/WBE Status of Contractors

The consultant that has been selected to provide these Environmental Review services, EIP Associates, is not an MBE/WBE firm. However, EIP is subcontracting \$46,905, or 19.8 percent of the \$236,830 contract, including contingencies, to four MBE and WBE firms, as follows:

BOARD OF SUPERVISORS
BUDGET ANALYST

Table 2
MBE/WBE Participation

<u>Firm Name</u>	<u>MBE/WBE Status</u>	<u>Amount of Contract</u>	<u>Percent of \$236,830 Maximum Cost</u>
Pittman & Hames	WBE	\$9,980	4.21%
Public Affairs Management	WBE	17,520	7.40
Orion Environmental	MBE	12,205	5.15
Tycadd	MBE	<u>7,200</u>	<u>3.04</u>
TOTAL AMOUNT AND PERCENT OF MBE/WBE PARTICIPATION		\$46,905	19.80%

EIP Associates will subcontract with other firms that are not MBE/WBE firms, as noted below.

**Hours and Hourly Rates
of the Contractor and Subcontractors**

The hours and hourly rates for EIP Associates and their subcontractors are as follows:

Table 3
**Hours and Hourly Rates
for the Proposed Contractor
and Subcontractors**

EIP Associates Costs

<u>Position</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Total</u>
Principal II	220	\$138.01	\$30,362
Senior Associate I	224	111.24	24,918
Professional II	402	61.80	24,844
Associate	76	85.49	6,497
Senior Professional	124	82.40	10,218
Senior Professional	72	74.17	5,340
Production/Graphics	294	55.62	16,352
Word Processing/Admin.	<u>104</u>	48.41	<u>5,035</u>
Total EIP Staff Costs	1,516		\$123,566
EIP Materials and Supplies (mileage, postage and other supplies)			8,401
EIP Administrative Fee To Oversee Subcontractors (at 5 % of \$79,365 subcontractor costs)			<u>3,968</u>
Total EIP Costs			\$135,935

BOARD OF SUPERVISORS
BUDGET ANALYST

Subcontractor Costs

Firm Name	Approximate Hours	Average Hourly Rate	Total
Korve	375	\$81.87	\$30,700
Pittman & Hames	164	60.85	9,980
Public Affairs Management	299	58.60	17,520
Orion Environmental	130	93.88	12,205
Ballanti	26	67.69	1,760
Tycadd	<u>121</u>	59.50	<u>7,200</u>
Total Subcontractor hours and costs	1115		<u>\$79,365</u>
Subtotal Contract Cost			\$215,300
Contract Contingency, at 10 percent			<u>21,530</u>
TOTAL CONTRACT COST			\$236,830

Recommendation: Approve the requested release of reserve in the amount of \$101,095.

City and County of San Francisco

Department of Public Works
Finance and Budget Division

February 4, 1996

Subject: Release of Reserved Funds
EIP Associates Contract

Ms. Karen Sikkenga
Budget Analyst's Office
1390 Market Street, Suite 1025
San Francisco, CA 94102

Dear Ms. Sikkenga:

This is in response to your request for a written explanation of the increase of \$55,330 from our original budget estimate of \$181,500 for the Block 202/203 environmental review services to be provided by EIP Associates. Of the \$55,330 increase in this project budget, only \$33,800 is directly associated with the EIP proposed budget. The remaining \$21,530 is a 10 percent contingency that the Department is including to cover any unexpected costs associated with the review. The Department did not include a contingency in its original project budget. What follows is a brief summary of the work to be performed by EIP Associates.

The Department originally intended to only have the consultant review the following two project development scenarios for environmental effects of site-specific development of Blocks 202 and 203:

	<u>Block 202</u>	<u>Block 203</u>
Scenario 1:	Hotel/Parking	Office/Retail/Parking
Scenario 2:	Mixed Use/Market/ Health Club/Parking	Hotel/Retail/Parking

Subsequently, in response to the Board of Supervisors request that at least one half of the Clay/Washington Street Parcel be reserved for public open space, the Department has added the following two limited development scenarios to be reviewed:

	<u>Block 202</u>	<u>Block 203</u>
Scenario 3:	Mixed Use	Residential/Retail/Parking
Scenario 4:	Open Space	Residential/Retail/Parking

Because these two alternatives would result in less development, EIP Associates will review them in more limited detail than the other two. This additional work will require approximately 412.2 hours at an average hourly rate of \$82¹ for a total of \$33,800.

Please note that EIP Associates' original cost proposal was for \$290,790 or \$75,490 more than the current one of \$215,300. The Department has spent a considerable amount of time negotiating with EIP Associates to bring their budget down to \$215,300.

If you have any questions, please call me at 558-4033.

Sincerely,

Tina Olson

Transportation Finance Analyst

¹ EIP Associates and the subcontractor Kolve will conduct this review and their average hourly rate is \$82

Memo to Budget Committee
March 13, 1996 Budget Committee Meeting

Item 6 - File 101-95-23

Departments: Board of Supervisors
Public Library

Item: Supplemental Appropriation of \$169,000 from the General Fund Reserve established in the Fiscal Year 1995- 96 budget process by the Board of Supervisors to purchase equipment to provide "gavel to gavel" television coverage of the Monday meetings of the full Board of Supervisors and to enhance the existing television coverage of the Committee meetings of the Board of Supervisors.

Amount: \$169,000

Source of Funds: General Fund Reserve established in the FY 1995-96 budget by the Board of Supervisors to be used for the purchase of remote television equipment.

Description: Under the City's Franchise Agreement with Television Signal Corporation (Viacom), Television Signal Corporation is required to provide channels for public, educational and government (municipal) access.

The Municipal Access Channel, entitled Citywatch, which began operations in June of 1993, is included in the budget of the Board of Supervisors under the Cable TV Access Development and Program Fund, with a base budget of \$50,000. Additionally, a total of approximately \$250,000 (including fringe benefits) is budgeted in the Public Library's FY 1995-96 budget for 7.75 FTE Citywatch positions to provide municipal access television services to the City. These services are provided under an existing contract between the Public Library and Community Television Corporation (CTC), a nonprofit corporation, which manages Citywatch.

Citywatch currently televises (1) public service announcements from various City departments including the Department of Public Health, Police Department, Office of Emergency Services, the Public Library and the Academy of Sciences, (2) notices of upcoming City agency and committee meetings, (3) an interactive computer system (Response TV) which the public can access with their touch-tone telephone (cable subscribers can bring up data on their television set ranging from a telephone directory of City departments to volunteer programs at the Animal Care and Control Center) and (4) "gavel to gavel" coverage of the Board of Supervisors

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
March 13, 1996 Budget Committee Meeting

Committee meetings. Additionally, Citywatch produces original programming for various City departments.

The proposed supplemental appropriation request of \$169,000 would be used to purchase and install remote television equipment to expand Citywatch's "gavel to gavel" television coverage to include the Monday meetings of the full Board of Supervisors, and to enhance the existing television coverage of the Board's Committee meetings. Such enhancements are described in Attachment II.

Mr. Zane Blaney, Executive Director of CTC, advises that the CTC, based on a survey of firms in the Bay Area which sell and install remote television equipment, solicited bids from four firms. Two of the four firms responded with bids. Of the two firms, the CTC selected R. E. Snader and Associates, Inc, as the lowest bidder, based on a bid amount of \$175,261.54 to provide the necessary remote television equipment. According to Mr. Blaney, the second firm, Ceitronics, Inc. submitted a bid amount of \$254,225. Mr. Blaney advises that neither R. E. Snader and Associates, Inc. nor Ceitronics, Inc. are MBE or WBE firms.

Comments:

1. Mr. Ted Lakey of the City Attorney's Office advises that since CTC has a contract agreement with the Library for the provision of municipal access television services to the City, CTC has the authority to procure the necessary equipment to perform these services.
2. As previously noted, the cost of the proposed equipment, including installation, is \$175,261.54 or \$6,261.54 more than the requested \$169,000. According to Mr. David Price of the Public Library, the balance of \$6,261.54 will be paid for by the CTC.
3. Mr. Taylor, Clerk of the Board, advises that the requested \$169,000 would be workordered from the Board of Supervisors to the Public Library for payment of the proposed equipment.
4. Attachment I is the proposal from R. E. Snader and Associates, Inc. detailing the equipment to be acquired and the prices for this equipment.
5. Attachment II is a memo from Mr. Blaney providing the justification for the proposed equipment.

Recommendation: Based on the prior policy decision of the Board of Supervisors, approve the proposed ordinance.

BOARD OF SUPERVISORS
BUDGET ANALYST



PROPOSAL

Date: 27-Feb-96
To: Zane Blaney
Community TV Corporation
P.O. Box 427190
San Francisco, CA 94102
Ph.: 557-4293
Fax: 557-4449

Quote No. SVSTA-CTV11296
From: Tom Anderson
Snader and Associates, Inc.
475 Gate Five Road
Sausalito, CA 94965
Ph.: (415) 332-7070
Fax: (415) 331-1643

Item	Qty	Model	Description	List Price	Unit Price	Total
<i>Camera Pan/Tilt System</i>						
1*	6	DXC-930PAC5	Sony 3-CCD Camera with M5 CCU Remote Control Includes AC Power	\$8,400.00	\$6,485.00	
2	6	CCTQ-3RGB	Sony 3m RGB/VBS Cable with CCQQ-1 Interconnect	\$245.00	\$490.00	\$2,940.00
3	7	EJ14B-AR164	Multimedia Accessories 164' 14 pin Male to 14 pin Female CCU Cable	\$375.00	\$300.00	\$2,100.00
4	6	S16x6.7BMD-D8	Fujinon 16x6.7 Remote Control Lens	\$4,370.00	\$3,475.00	\$20,850.00
5	6	CPT-1A10D	Fujinon Digital Pan/Tilt Head	\$3,880.00	\$3,195.00	\$19,170.00
6	6	CLH-8SP	Fujinon Lens Support	\$250.00	\$220.00	\$1,320.00
7	6	FTA-C10D	Fujinon 1.5" Pipe Adaptor Mount	\$220.00	\$180.00	\$1,080.00
8	2	EOP-102J50D	Fujinon 1-4 Head Digital Controller w/32 Pre-Set Shots, Rocker Zoom, Rotary Focus and Joystick Pan/Tilt	\$4,740.00	\$3,995.00	\$7,990.00
9	6	CPS-401A-10D	Fujinon 15v Power Supply/Signal Relay from Control to Head	\$800.00	\$675.00	\$4,050.00
10	7	WMJ-640	Peerless Jumbo Wall Mount with 1.5" Pipe Thread	\$192.00	\$140.00	\$980.00
11	2	KM-1200U	JVC 4 Input Composite Switcher	\$2,600.00	\$1,980.00	\$3,960.00
12*	3	BR-S622U	JVC S-VHS Recorder/Player (Discontinued Model)	N/A	N/A	N/A
13*	1	SA-T22U	JVC Time Base Corrector Board	N/A	N/A	N/A
14*	1	SA-R22U	JVC VITC/LTC Time Code Reader/Generator Board (3 not needed with substitution of new model)	\$420.00	\$335.00	\$335.00
15*	1	BR-S822U	JVC S-VHS Editing Recorder/Player (Discontinued)	N/A	N/A	N/A
16	2	PVM-411	Sony 4" B/W Quad Monitor with Rack Mount	\$2,050.00	\$1,575.00	\$3,150.00
17	4	BTS-901Y	Panasonic 9" Color Monitor w/Dual Inputs	\$815.00	\$620.00	\$2,480.00

(continued)



PROPOSAL

Date: 27-Feb-96
 To: Zane Blaney
 Community TV Corporation
 P.O. Box 427190
 San Francisco, CA 94102
 Ph.: 557-4293
 Fax: 557-4449

Quote No. SVSTA-CTV11296
 From: Tom Anderson
 Snader and Associates, Inc.
 475 Gate Five Road
 Sausalito, CA 94965
 Ph.: (415) 332-7070
 Fax: (415) 331-1643

Item	Qty	Model	Description	List Price	Unit Price	Total
18	2	BA-90A	Panasonic Rack Mount Kit	\$125.00	\$100.00	\$200.00
19	2	VDA-100A	Sigma 1x6 Video DA	\$310.00	\$240.00	\$480.00
20	2	ADA-106	Sigma 1x6 Audio DA	\$310.00	\$240.00	\$480.00
21	2	AFV-100	Sigma Audio Follow Video Switcher	\$195.00	\$150.00	\$300.00
22	2	FR3-100	Sigma Rack Mount Tray (Holds 3 Units)	\$70.00	\$55.00	\$110.00
23*	2	MM-400	Magni Waveform/Vectorscope Rasterizer	\$1,895.00	\$1,785.00	
24	2	DPC-M299	Delta Designs 2 Bay Console	\$1,640.00	\$1,347.00	\$2,694.00
25	4	D-PC	Delta Designs 2 1/2" Castors (Set of 4 each)	\$30.00	\$28.00	\$112.00
26	2	RW-1461	Soundcraft Audio Mixer - 14x2, 8 Mono/2 Stereo	\$699.00	\$495.00	\$990.00
27	4	RKS822U	FEC Rack Slide Kit for JVC BR-S Series VTR's	\$190.00	\$180.00	\$720.00
*Note: Due to manufacturer's discontinuing the above items, these are the recommended substitutions:						
1a	6	DXC-950	Sony 3-CCD Camera	\$5,600.00	\$4,595.00	\$27,570.00
1b	6	CCU-M5	Sony Remote Control, includes AC Power Supply	\$2,325.00	\$1,800.00	\$10,800.00
12	3	BR-S622DXU	JVC S-VHS Recorder/Player w/Time Code Board and TBC/DNR	\$6,090.00	\$5,295.00	\$15,885.00
15	1	BR-S822DXU	JVC S-VHS Editing VCR w/Time Code Board	\$6,760.00	\$5,880.00	\$5,880.00
23	2	WVR-500	Tektronix Waveform/Vectorscope Rasterizer	\$1,795.00	\$1,670.00	\$3,340.00
Product Subtotal Including Substitutions				Product	\$139,966.00	
Installation and Administration				Support	\$25,148.00	
Marin Co. Sales Tax				7.25%	\$10,147.54	

Page 2 of 2

This Quotation is firm until: 28-Mar-96
 Terms on approved credit only.

Shipping not included.

Signed By:

Proposed
 Total \$175,261.54

Memorandum

To: Sandy Brown-Richardson
Budget Analyst Office

From: Zane Blaney, Community Television Corporation/CITYWATCH

Re: Justification for purchase and installation of television equipment for the Board of Supervisors' Chambers and Committee Room.

Date: March 6, 1996

Without the proposed equipment acquisition and upgrade it will not be possible to provide unobtrusive gavel-to-gavel coverage of full meeting of the Board of Supervisors in the Chambers. Cameras mounted on tripods with standing operators will block access to the press and staff tables as well as block views and traffic flow in the public area. The proposed wall-mounted robotic cameras and other equipment will provide discreet, off-the-floor cameras and require two operators instead of the current three. In addition, it will eliminate the need to lease equipment to provide this coverage.

Without the proposed equipment it will not be possible to cover simultaneous meetings. On numerous occasions meetings occur at the same time both the Chambers and Committee Room. This places the producer in the position of having to pick and choose between the meetings prompting complaints from Supervisors and the public. The proposed equipment will allow for television coverage in both room simultaneous.

Although we have been successful in providing coverage of most meetings in the Committee Room, the awkward placement of cameras and operators distracts from the deliberations. The current configuration of cameras is not the most efficient or cost effective use of this equipment. It is also difficult for the crew. On one occasion a committee meeting was disrupted when a camera operator fainted after standing for a long period of time.

Lastly, the movement of the cameras from one room to the other is wearing on the equipment and personnel. The Transportation Authority has requested television coverage and other city agencies are increasingly interested in television coverage from these rooms. In order to provide this service and respond to increased demand it will be necessary to upgrade the television facilities.

Item 7 - File 101-95-43

Note: This item was continued by the Budget Committee at its meeting of February 7, 1996.

Department: Mayor's Office

Item: Supplemental appropriation of \$142,937 from the General Fund Reserve for salaries and fringe benefits for the Mayor's Office for FY 1995-96 and placing \$142,937 on reserve.

Amount: \$142,937

Source of Funds: General Fund Reserve

Description: An amendment of the whole was submitted on February 29, 1996, which would appropriate \$100,000 including \$13,493 on reserve, subject to release by the Controller, in lieu of the original request of \$142,937. Of this \$100,000 request, \$86,507 would be expended at this time to pay for earned vacation leave for 15 persons who worked for the former Mayor and who no longer work for the City.

Attached is a table, provided by Mr. Martin of the Mayor's Office, showing the 15 job classifications, the hourly pay rates, the number of vested vacation hours, and the General Fund cost of the vested hours totalling \$86,507, as determined from the records of the Mayor's Office, in conjunction with the Controller, according to Mr. Mike Martin of the Mayor's Office.

The balance of \$13,493 would be placed on reserve subject to release by the Controller. Mr. Martin advises that this reserve amount is requested to fund the cost of future terminations, should they occur. If some portion of these reserved funds of \$13,493 is not required, the Controller would transfer the unused balance to the General Fund as of June 30, 1996.

Comment: According to Mr. Martin, any earned vacation leave costs incurred for non-General Fund employees in the Mayor's Office who no longer work for the City is negligible and will be supported from funds previously allocated to the Mayor's Office.

Recommendation: Approve the proposed ordinance.

February 22, 1996

Estimated General Fund Cost to Date of Vested Vacation

<i>Job Class</i>	<i>Status</i>	<i>Hourly Pay Rate</i>	<i>Annual Salary</i>	<i>01-001 GenFund</i>	<i>01-001 Vac'n</i>	<i>Funding Source/Comments</i>
MCJC						
1849 AB 90	Provisional	29.9625	62,562	\$4,352	145.25	AB 90-255021
1375GF	Provisional	38.6625	80,727	\$3,357	86.83	AB 90-255021
Total MCJC				<u>\$7,709</u>		
Community Services						
1368 GF	Provisional	22.0625	46,067	\$6,202	281.13	General Fund-255011
1367 GF	Provisional	23.7375	49,564	\$2,588	109.01	General Fund-255011
1364 GF	Provisional	16.5375	34,530	\$2,577	155.85	General Fund-255011
1374 GF	Provisional	35.9250	75,011	\$6,413	178.51	General Fund-255018
Total Bus & Com				<u>\$17,780</u>		
Film Office						
1368 GF	Provisional	25.5375	53,322	\$7,092	277.72	General Fund-255011
Total Film Office				<u>\$7,092</u>		
Press Office						
1374 GF	Provisional	32.5875	68,043	\$6,553	201.09	General Fund-255018
Total Press Office				<u>\$6,553</u>		
Administration						
1368 GF	Provisional	22.0625	46,067	\$1,743	78.99	General Fund-255018
1361 GF	Provisional	12.7250	26,570	\$122	9.58	General Fund-255018
1367 GF	Provisional	23.7375	49,564	\$5,062	213.24	General Fund-255018
1371 GF	Provisional	26.1750	54,653	\$2,392	91.37	General Fund-255018
1367 GF	Provisional	21.5375	44,970	\$7,754	360	General Fund-255011
1898 GF	Provisional	46.9500	98,032	\$10,537	224.43	General Fund-255018
Total Admin				<u>\$27,609</u>		
Finance						
1375 GF	Provisional	38.6625	80,727	\$13,467	348.32	General Fund-255018
Total Fin & Policy				<u>\$13,467</u>		

Summary:

<i>Division</i>	<i>Cost</i>	<i>Hours</i>
Total MCJC	7,709	0
Total Bus & Com	17,780	0
Total Film Office	7,092	0
Total Press Office	6,553	0
Total Admin	27,609	0
Total Fin & Policy	13,467	0
TOTAL	\$80,210	0
Fringe (7.85%)	6,297	
	<u>\$86,507</u>	
		Total Cost, including fringe

Item 8 -File 101-95-33

Note: This item was continued by the Budget Committee at its meeting of December 20, 1995.

Department: San Francisco Police Department (SFPD)

Item: Supplemental appropriation ordinance of \$398,676 of Traffic Offender Fund Revenues for salaries, fringe benefits, contractual services, materials and supplies, equipment and services of other departments to conduct a Traffic Safety Program for Fiscal Year 1995-96.

Amount: \$398,676

Source of Funds: Traffic Offender Fund Revenues

Description: The proposed supplemental appropriation would fund Police Department expenses to support the San Francisco Traffic Offender Program (STOP). This request of \$398,676 for the period of July 1, 1995 through June 30, 1996 is for Police Department salaries, overtime, fringe benefits, computer contractual services, printing, data processing supplies, forms, minor furnishings, computer equipment and the services of two other departments.

The San Francisco Traffic Offender Program (STOP) is a traffic safety program supported by traffic offender fees of \$150 per offense collected by the Police Department from drivers who are arrested, or drive with suspended or revoked licenses. The fee revenues collected are intended to enhance enforcement of the California Vehicle Code by educating Police Officers on the provisions of the Vehicle Code so that they can more easily charge drivers with specific offenses, thereby facilitating prosecution by the District Attorney's Office.

In July of 1994, the Board of Supervisors approved an ordinance (File 124-94-8) to amend the San Francisco Traffic Code by adding Sections 170.2-A and 170.2-B, which require the payment of an administrative fee to the Police Department by vehicle owners for the towing and impoundment of vehicles if (1) the driver is arrested and taken into custody, (2) the person is driving with a suspended or revoked driver's license, or (3) probable cause exists to believe that the motor vehicle was used to commit a public offense or is evidence in a crime, in accordance with California Vehicle Code Sections 22651 (h) and (p), 22655.5 and 22850.5.

In September of 1994, the Board of Supervisors approved the Police Department's application, acceptance and expenditure of a \$331,994 grant from the California Office of Traffic Safety to cover a portion of the costs of the Traffic Offender Program during the 27-month period from October 1, 1994 through December 31, 1996.

In October of 1994, the Board of Supervisors authorized the establishment of a \$150 fee to be charged to traffic offenders effective December 1, 1994 to reimburse the Police Department for the removal of vehicles impounded as part of the Traffic Offender Program. Revenues from this \$150 fee have been deposited in the Traffic Offender Fund and are the source of funds for the proposed supplemental appropriation.

Budget:

The requested budget for the period from July 1, 1995 through June 30, 1996 is as follows:

Temporary Salaries - Miscellaneous	\$63,362
Overtime - Uniform	205,338
Mandatory Fringe Benefits	2,916
Computer Contractual Services	37,500
Non-Personal Services - Printing	25,560
Data Processing Supplies - Toner	500
Forms	1,000
Minor Furnishings	45,000
Computer Equipment	8,000
Services of Other Depts -DPW Bldg. Repair	7,500
Services of Other Depts - Electricity	2,000
Total	<u>\$398,676</u>

Comments:

1. The Police Department reports that they have been incurring the Temporary Salary and Overtime expenses since the beginning of this fiscal year, which have been paid out of the Police Department's regular General Fund budget. According to Sergeant Bill White of the Police Department, the other non-personnel expenses have not been incurred to date. Once the proposed supplemental appropriation of Traffic Offender Funds is approved, the Police Department reports that the General Fund will be reimbursed for the Traffic Offender Program activities. Because the proposed supplemental appropriation is to cover expenses incurred since July 1, 1995, the proposed ordinance should be amended to indicate that the request for funds covers retroactive payments.

2. The Budget Analyst notes that the Police Department originally estimated that \$321,029 of Traffic Offender Funds was anticipated to be spent for a one-year period from October 1, 1995 through September 30, 1996, as reported in the Police Department's grant application to the State Office of Traffic Safety, as submitted to the Board of Supervisors for approval in October of 1994. This previous estimate of \$321,029 is \$77,647 less than the \$398,676 currently being requested for a one-year period. This previous \$321,029 estimate included funds for dedicated District Attorney staff to increase prosecution efforts for the Traffic Offender Program (which have actually been supported by grant funds in FY 1995-96, so are not included in the proposed supplemental), but did not include any funds for Police Department Temporary Salaries, computer contractual services, or the services of other City departments. Furthermore, the previous estimates for costs for Police overtime, printing, other material and supplies and minor furnishings were significantly less than is currently being requested.

3. According to Sergeant White, additional funds are currently being requested because when the original State Office of Traffic Safety grant and budget were developed, the Police Department estimated that approximately 2,000 vehicles would be towed under the proposed program each year. Based on those estimates, the Police Department estimated achieving annual revenues of approximately \$300,000 (\$150 fee x 2,000 vehicles). Those estimates were based on the State legislation that was in effect at that time, which permitted the towing of unlicensed driver's vehicles under certain circumstances.

However, Sergeant White reports that as of January 1, 1995, a major State Legislative change was implemented (the State Streets Act of 1994), which required the towing of all vehicles driven by unlicensed drivers, which were stopped for moving violations or other probable cause. This Legislative change has resulted in a significantly greater number of vehicles being towed in San Francisco. According to the Police Department, for calendar year 1995, approximately 6,700 vehicles have been towed because the driver was unlicensed and another approximately 750 vehicles have been towed because the driver was arrested, for a total of approximately 7,450 vehicles towed in San Francisco in 1995 or potential revenues of \$1,117,500 (\$150 fee x 7,450 vehicles). However, the Police Department reports that the \$150 fee is not collected on all towed vehicles because the

Department estimates that approximately 30 percent of the towed vehicles are not reclaimed by their owners. Nevertheless, this increased level of activity has resulted in significantly greater work for the Police Department, necessitating the need for additional funds, according to Sergeant White.

4. According to Officer Robert Mattox of the Police Department, as of February 28, 1996, the Traffic Offender Fund had a fund balance of \$847,000. If the proposed supplemental appropriation were approved as requested, this would leave a current fund balance of \$448,324 which could be expended through June 30, 1996. Sergeant White reports that beginning in Fiscal Year 1996-97, the Traffic Offender Fund revenues and Police Department annual expenses are being submitted as part of the budget for the Police Department, since this is intended to be an ongoing Police Department Program. Section 170.2-B of the City's Traffic Code provides that at the end of any fiscal year, the balance of the Traffic Offender Fund will be carried forward and accumulated for the next fiscal year's Program.

5. Subsection b of the City's Traffic Code Section 170.2-B states that "the appropriation of all monies in the Traffic Offender Fund shall be made exclusively for the purposes of the Traffic Offender Program. . . . Expenditures shall include, but not be limited to, purchase of equipment, contractual services, material and supplies, any other technology necessary to prosecute the case, and personnel costs, including salary and benefits for a Deputy District Attorney and a part-time law clerk, specifically provided to the Program." Although the provisions of the Traffic Code permit personnel costs, and in fact specifically identify the use of Traffic Offender Program Funds for District Attorney personnel purposes, the Budget Analyst notes that most of the requested Police Department personnel costs are for overtime expenses.

6. The SFPD is proposing to staff the Traffic Offender Program entirely with Police Officers working on overtime, at an estimated cost of \$205,338 funded from this proposed request. For FY 1995-96 this may be necessary, as the 260 new Police Officer recruits hired as a result of Proposition D will not be assigned on full duty until approximately July 1, 1996. However, since this is intended to be an ongoing program for the Police Department, the SFPD should start including non-overtime staffing for the Traffic Offender Program in its

regular deployment plan as soon as these recruits are working full-duty schedules. The SFPD could potentially start paying Police Officers on straight time beginning in FY 1996-97 to perform duties related to the Traffic Offender Program during their regularly scheduled hours. Sgt. White advises that the SFPD has started to work towards this goal.

Mr. Ted Lakey of the City Attorney's Office states that in accordance with the provisions of the City's Traffic Code, Traffic Offender Fund revenues can be used for funding straight time Police Officers, who are currently supported by the General Fund, instead of funding overtime for Police Officers, as is currently proposed in this supplemental appropriation. Therefore, in the professional judgment of the Budget Analyst, the SFPD should make all attempts to design an efficient program and avoid unnecessary expenditures from the Fund.

7. A traffic safety operation consists of planned events in rotating districts of the City, in which a group of approximately 20 Officers stop vehicles that have committed violations, and check the driver's license status of the drivers who have committed the violations. The California Office of Traffic Safety grant requires the SFPD conduct one traffic safety operation per month, and the SFPD has been conducting one traffic safety operation per month since July of 1995. However, the Overtime request for \$205,338 includes \$38,910 for performing warrant services related to the Traffic Offender Program, and \$166,428 for conducting two traffic safety operations per month, at a cost of \$6,934.50 per traffic safety operation. The Budget Analyst recommends reducing the SFPD Overtime request by \$83,214 (\$6,934.50 times 12) from \$205,338 to \$122,124, which would allow the SFPD to perform the required minimum of one traffic safety operation per month on an annual basis, as required by the grant from the California Office of Traffic Safety, at a cost of \$83,214 and to perform warrant services related to the Traffic Offender Program at a cost of \$38,910.

The Budget Analyst considers approval of an additional \$20,803 (\$6,934.50 times 3), which would permit the SFPD to perform one additional traffic safety operation per month for the remaining three months of FY 1995-96 from April 1, 1996 through June 30, 1996, to be a policy matter for the Board of Supervisors, because, as noted above, the grantor requires that the SFPD perform only one such operation per month.

8. The requested Temporary Salaries of \$63,362 is to enable the Police Department to create two new tow Hearing Officer positions. Sergeant White reports that two Q2 Police Officers are currently providing this tow Hearing Officer function everyday for approximately five hours per day. If the requested funds are approved, the Police Department proposes to hire two retired Police Officers to provide this function at an hourly rate of \$24.37 per hour, which is the same rate as the current Q2 Police Officers receive.

On December 20, 1995, the Budget Committee directed the SFPD to pursue further analysis with the Department of Parking and Traffic (DPT) of the potential for using DPT Hearing Officers, who currently handle hearings for contested parking tickets, instead of establishing new Tow Hearing Officer positions in the Police Department. Officials of both the SFPD and the DPT now state that it would not be feasible to use DPT Hearing Officers for this purpose, primarily because the responsibilities of the Tow Hearing Officers are not exclusively to conduct hearings, but also to conduct criminal investigations. A statement from Police Chief Fred Lau explaining this situation is attached to this report.

9. Minor furnishings for \$45,000 are included for design (\$5,000), handicapped access (\$7,500), creation of a tow hearing room (\$10,000), and modular partitions and office furniture (\$22,500). According to Officer Mattox, the SFPD needs to refurbish space, so that they can locate the proposed tow hearing staff next to the windows where they talk to the public, and transfer an existing room to the data entry people and the District Attorney.

10. \$35,000 of the total \$37,500 for computer contractual services should be reserved. This reserve would permit the immediate appropriation of \$2,500 for repair and maintenance of the existing computer equipment, printers and fax machine. To date, the Police Department has not identified the contractor to provide the proposed computer contractual services.

11. Computer equipment for \$8,000 would be used to purchase another computer workstation, software and networking hardware for the Police Department's proposed tow Hearing Officers. Officer Maddox advises that acquisition of this additional workstation will facilitate minimization of overtime expense, as staff currently have to conduct some recordkeeping on an

overtime basis because workstations are not available during regular working hours.

12. The Non-Personal Services - Printing costs of \$25,560 are to cover the costs of newspaper advertisements, to inform the public regarding the Police Department's program of towing unlicensed drivers. The costs are based on one year of advertising at a cost of \$2,130 per month. Given that there are approximately three months remaining in the fiscal year, the proposed \$25,560 can be reduced by \$19,170 to \$6,390.

13. The request for the Services of Other Departments for both the Department of Public Works' Building Repair (\$7,500) and the Department of Electricity (\$2,000) are related to the renovation requests of the SFPD.

Recommendations:

1. Reduce the supplemental appropriation request for Overtime by \$83,214, from \$205,338 to \$122,124, to enable the Police Department to conduct one traffic safety operation per month and the related warrant activities on an overtime basis, as discussed in Comment No. 6 above. Reduce the proposed supplemental appropriation by an additional \$19,170 for Non-Personal Services - Printing, as discussed in Comment No. 12 above.

2. Reserve \$35,000 of the total \$37,500 for computer contractual services pending selection of a contractor and identification of the MBE/WBE status of the contractor, as discussed in Comment No. 10 above.

3. In summary, reduce the total request of \$398,676 by \$102,384 (\$83,214 and \$19,170 identified in Recommendation No. 1 above) to \$296,292 and reserve \$35,000 (identified in Recommendation No. 2 above).

4. Amend the proposed ordinance for retroactive actions previously taken.

5. Request the SFPD to include non-overtime staffing for the Traffic Offender Program in its regular deployment plan in the FY 1996-97 budget, as discussed in Comment No. 6 above.

6. Approval of an additional \$20,803 for Overtime, which would permit the SFPD to conduct one additional traffic safety operation per month for the remaining three months in Fiscal Year 1995-96, is a policy matter for the Board of Supervisors, as discussed in Comment No. 7 above.



FRED H. LAU
CHIEF OF POLICE

POLICE DEPARTMENT
CITY AND COUNTY OF SAN FRANCISCO
THOMAS J. CAHILL HALL OF JUSTICE
850 BRYANT STREET
SAN FRANCISCO, CALIFORNIA 94103

February 9, 1996

Mr. Harvey Rose
Budget Analyst
1390 Market Street #125
San Francisco, Ca 94102

Re: Appropriation Request File #101-95-33

Dear Mr. Rose,

At the December 20, 1995 Budget Committee meeting Captain John Gleeson was there to request funding from the Traffic Offender Fund to pay for certain expenditures necessary for the operation of the San Francisco Traffic Offender Program. It is my understanding that there was a discussion among members of the Committee, yourself and Captain Gleeson regarding the use of Department of Parking and Traffic personnel to conduct follow-up investigations on arrests made by peace officers. A suggestion was made, because of the pending changes in the administration, to postpone the request until the appropriate department heads could meet and come to an understanding as to which department is better qualified and equipped to handle this function.

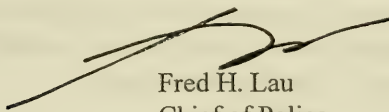
My representatives met with and discussed this situation with the representatives of the Director of Department of Parking and Traffic. They were able to determine that there was a misunderstanding with the term "tow hearing officer". The San Francisco Police Department and the Department of Parking and Traffic have concluded that all investigative functions in the San Francisco Traffic Offender Program are duties of law enforcement personnel only. The investigations performed by San Francisco Traffic Offender Program personnel are criminal investigations. Criminal investigations require access to our computer terminals. I cannot give authorization to the Department of Parking and Traffic to access criminal or Department of Motor Vehicles records through our C.A.B.L.E.

or C.L.E.T.S. terminals. Section 1.3.1 of the California Department of Justice C.L.E.T.S. Operating Manual cites Section 15163 of the California Government Code limiting access to criminal justice records to qualified law enforcement personnel only.

The San Francisco Traffic Offender Program was conceived by the San Francisco Police Department in 1994 and has become a model program for the State of California. This program has had a positive impact on reducing the number of injury traffic accidents by impounding the vehicles habitual traffic offenders. I am extremely proud of this program and plan continued support of it.

I hope you will be supportive of my efforts to make the City safer for our motorists and pedestrians. I would ask you to reconsider your recommendation to the Board of Supervisor's Budget Committee with respect to the above appropriation to allow the Police Department to expend the Traffic Offender Fund in the manner that would best accomplish this goal.

Sincerely,

A handwritten signature in black ink, appearing to read 'Fred H. Lau', with a long horizontal stroke extending to the right.

Fred H. Lau
Chief of Police

Item 9 - File 101-95-59

Department: Rent Arbitration Board

Item: Ordinance appropriating \$78,279, Rent Arbitration Board, of Arbitration Board funds for Temporary Salaries, Management Consulting Services and other professional services for Fiscal Year 1995-96.

Amount: \$78,279

Source of Funds: Rent Arbitration Board Funds, which consist of a \$10 fee on all rental units and \$5 per residential hotel room, except for owner occupied units.

Description: The proposed supplemental appropriation of \$78,279 would be used to support costs for Chinese and Spanish translation services, database development, and a Temporary Hearing Officer for the Rent Arbitration Board, as follows:

Chinese and Spanish Translation Services \$29,864

The Rent Board has implemented a new 24-hour information system, called "Information to Go," which provides information to tenants and landlords on issues related to local and State laws. The system contains approximately 65 automated information choices, and handles over 5,000 calls per month. The proposed supplemental appropriation request would include \$29,864 in costs for Other Professional Services to translate the same information into Chinese and Spanish.

Chinese Translation (25,000 words at approximately \$.43 per word)	\$10,719
Chinese Recording (25,000 words at approximately \$.19 per word)	4,725
Spanish Translation (25,000 words at approximately \$.39 per word)	9,695
Spanish Recording (25,000 words at approximately \$.19 per word)	<u>4,725</u>
Total Translation Costs	\$29,864

The Rent Board has selected AT&T to perform these services, because they would be able to maintain and install the information on AT&T equipment, and the Rent Board's existing equipment is through AT&T. AT&T is not an MBE/WBE firm. There was one other bidder to provide such translation services, Direct Language Communications (DLC). DLC submitted a bid of \$28,200, which is \$1,664 or

5.6 percent less than AT&T's bid. However, Direct Language Communications, Inc. would be unable to install and maintain the non-English language information on AT&T equipment, according to Mr. Joseph Grubb, Director of the Rent Board.

Database Development

\$40,000

The Rent Board is changing from the Wang computer system to a networked LAN system. This process can be accelerated, according to Mr. Grubb, by completing the database development. Mr. Grubb estimates that the change to the LAN system can be completed by July 1, 1996, if the database development is completed during the current fiscal year. The proposed supplemental appropriation includes \$40,000 in management consulting services to support the costs for database development, including 470 hours of consulting services at a cost of approximately \$85 per hour. The Rent Board has selected Aixtek, Incorporated to perform these services, because that firm has been working on the LAN migration and database development for the Rent Board over the past two years. Aixtek, Incorporated, which is a WBE firm, was originally selected based on a competitive bid. Aixtek would develop a 4-D Database, which is a relational database storing all Rent Board information and files.

Temporary Hearing Officer

\$8,415

Tenants and landlords are entitled to submit petitions to the Rent Board for hearing within 45 days by a Rent Board Hearing Officer, according to Section 37.8 of the Administrative Code. Tenant petitions may include, for example, petitions for decreased or lost housing services, such as lack of heat or leaky roofs, allegations of rent overcharges, and allegations of wrongful evictions. Landlord petitions might include petitions to raise rent to support the cost of operating and maintenance cost increases or capital projects, and petitions for extensions of time to continue temporary evictions to complete capital improvements.

The Rent Board's backlog was 245 petitions as of January 31, 1996. According to Mr. Grubb, based on a 245-petition backlog, petitioners must wait 70 to 80 days before their petition is heard by a Rent Board Hearing Officer. As noted above, Section 37.8 of the Administrative Code specifies that petitions must be heard within 45 days of filing.

Memo to Budget Committee
March 13, 1996 Budget Committee Meeting

Budget: The total cost for this proposed supplemental appropriation request would be \$78,279, as follows:

Translation Services

Chinese Translation (25,000 words at approximately \$.43 per word)	\$10,719
Chinese Recording (25,000 words at approximately \$.19 per word)	4,725
Spanish Translation (25,000 words at approximately \$.39 per word)	9,695
Spanish Recording (25,000 words at approximately \$.19 per word)	<u>4,725</u>
Total Translation Costs	\$29,864

<u>Database Development Consulting Services</u> (470 hours at approximately \$85 per hour)	40,000
<u>Temporary Hearing Officer</u> (3.5 months)	<u>8,415</u>
Total Supplemental Appropriation Request	\$78,279

Comments: 1. Mr. Grubb advises that the Rent Board would like to hire a Temporary Hearing Officer for a six-month period in order to eliminate completely its backlog of petitions, and will request Temporary Salary costs for this position for 2.5 months, from July 1 through September 15, 1996 in its FY 1996-97 budget request.

2. This request of \$78,279 would be supported from Rent Arbitration Funds, which consist of Rent Board Fees in the amount of \$10 per rental unit and \$5 per residential hotel room, except for owner occupied units, to support the costs of implementing the Rent Ordinance. The Rent Board's costs are entirely off-set by the fees which it collects, and the proposed supplemental appropriation request would have no impact on the General Fund. Estimated revenues from Rent Arbitration Fees for FY 1995-96 total \$2,050,000, collected from 187,000 rental units and residential hotel rooms. The Rent Board's budget for FY 1995-96 is \$1,617,017, or \$432,983 less than the FY 1995-96 revenue estimates. This supplemental appropriation request of \$78,279 is less than the \$432,983 anticipated Rent Arbitration Fund revenue balance for FY 1995-96, thereby providing sufficient funding for this request.

Recommendation: Approve the proposed legislation.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 10 - File 98-96-1

1. This is a proposed motion directing the Clerk of the Board of Supervisors to amend the Budget Analyst Agreement for Professional Services to include completion of management audits of all City and County departments every eight (8) years on an on-going basis and to submit a supplemental appropriation request in the amount of \$275,000 to fund the expansion, for six months in Fiscal Year 1995-96; and by the amount of \$550,000 annually in future years.
2. The Budget Analyst notes that, due to the passage of time since the introduction of this motion, less than six months now remains in the current Fiscal Year. Therefore, since the proposed expansion of management audits could not be implemented for more than three months during the current, 1995-96 Fiscal Year, a reduction of \$137,500 should be made to the amount of \$275,000 for 1995-96 if the proposed motion is approved.
3. To fully comply with the Minority Business Enterprise/Women Business Enterprise ordinance and policies of the Board of Supervisors, the agreement for Board of Supervisors Budget Analyst professional services is with the Joint Venture Partnership of Stanton W. Jones and Associates/Debra A. Newman/Mah & Louie, Certified Public Accountants/Rodriguez, Perez, Delgado and Company, Certified Public Accountants/Harvey M. Rose Accountancy Corporation Certified Public Accountants.
4. Under Rule 5.9 of the Board of Supervisors Rules of Order, authored by Supervisor Kaufman, the Board established a policy for the Budget Analyst to conduct management audits of all City Departments on an eight-year cycle. Given the existing workload and staffing in the Budget Analyst's Office, the Budget Analyst previously reported to the Board of Supervisors that it would be highly unlikely that the Budget Analyst would be able to complete management audits of all City Departments on an eight-year cycle, without the dedication of additional resources for this purpose. For example, during calendar year 1994, the Budget Analyst expended a total of 1,282 professional staff hours on management audits, as directed by the Board of Supervisors, which represented only 6.5 percent of all of the Budget Analyst service hours provided to the Board of Supervisors in 1994. In 1995, the Budget Analyst expended 2,834 hours on management audits, which represented only 13.4% of all staff hours provided. The amount of staff resources available for management audit assignments varies with the workload requirements for legislative analyses provided to the Board's Committees and special assignments as directed by the Board. Additionally, each year, the Budget Analyst is responsible for reviewing the Mayor's recommended annual budget and making recommendations regarding the annual budget. In some years, the Budget Analyst has been unable to even commit a full time equivalent staff person to management auditing because of these other assignments.
5. As currently staffed, the Budget Analyst is unable to fulfill the policy of the Board of Supervisors regarding completion of conducting management audits of all City Departments on an eight-year cycle. The proposed level of additional funding of \$550,000 annually would provide the equivalent of 7,763 professional staff hours at

our current hourly rate of \$70.85. This expansion of audit capability would substantially improve the Budget Analyst's ability to comply with the management audit policy previously approved by the Board of Supervisors. The staff that would be added under this proposed amendment to the Budget Analyst agreement would be dedicated to the performance of management audits exclusively. Such an expansion would provide the Board of Supervisors with as much as three to four additional management audits of major City departments annually (based on an estimated average requirement of 2,000 staff hours to complete a management audit of a large City department).

6. The Budget Analyst is currently conducting a management audit of the Airport Surplus and a comprehensive management audit of the San Francisco Police Department. Other previously assigned management audits, which have not yet started, include the Department of Parking and Traffic, City Employees with salaries exceeding \$70,000 annually (pending completion of a Department of Human Resources classification study) and the Rent Arbitration Board. The completion dates for the management audit projects that have not begun will depend on the level of staff resources that can be devoted to such audit activity.

7. Rule 5.9 of the Board of Supervisors also requires that the Budget Analyst submit a management audit plan for each calendar year to the Board of Supervisors for approval. Departments that have never undergone a management audit and Departments that have gone the longest period of time since their last management audit are to be given the highest priority in the annual audit plan.

8. Although not all of the Budget Analyst's prior management audit report recommendations have been fully implemented, the actual savings realized by the City, as a result of the implementation of the Budget Analyst's recommendations, has been significant. For example, going back to 1972, the Budget Analyst conducted a management audit of the San Francisco Airport, which found that San Francisco had the lowest landing fees of all major airports in the nation and identified \$24 million that the Airport owed to the City's General Fund. As a direct result of that audit, landing fees were increased at the San Francisco Airport and the \$24 million was repaid by the Airport to the City's General Fund. The Budget Analyst completed a management audit in 1995 of the Tax Collector's Office, which identified an estimated annual savings of \$7.1 million to \$16 million, including approximately \$2 million in the first year, of tax and fee revenues which were owed to but not being collected by the City. The Tax Collector has recently reported to the Budget Committee that, for the first six months of Fiscal Year 1995-96, approximately \$2.4 million in additional revenues have been realized.

9. Comprehensive management audits can result in significant savings, including reduced expenditures and increased revenues, improved efficiencies and increased services to the public. A listing of the management audit reports issued by the Budget Analyst's Office since FY 1971-72 which included significant recommendations to achieve one-time and ongoing annual cost savings and revenue enhancements are shown in the Attachment. The Budget Analyst's recommendations in the previously completed management audits identify \$141.8 to \$145.2 million in one-time savings and \$100.6 to \$124.5 million in annual savings as shown in the Attachment.

**SIGNIFICANT MANAGEMENT AUDIT REPORTS ISSUED
BY THE BUDGET ANALYST'S OFFICE SINCE 1971**

<u>Year</u>	<u>Management Audit Reports Issued</u>	<u>Estimated Savings from Budget Analyst Recommendations</u>	
		<u>One-Time</u>	<u>Annual</u>
1971	Department of Social Services General Assistance Program	—	\$600,000
	Office of the Treasurer	—	932,000
1972	Purchasing Department of Bureau of Buying	—	140,000
	San Francisco International Airport	\$24,400,000	—
1973	Public Library	—	419,000
1974	Municipal Railway	—	1,170,000
1976	Community Mental Health Services Department of Public Health	—	1,800,000
1977	Employee Retirement System	—	3,200,000
	Commission on Aging Operations	144,000	76,200-87,000
	Pacific Psychotherapy Associates (PPA) Mental Health Service Providers	—	600,000
1978	PUC General Office, Water Dept., Data Processing Center, Hetch Hetchy	—	5.9-15.9 million
	Civil Service Commission 1978-79 Salary Standardization Procedure	—	7,200,000
	SF Housing Authority - San Francisco Redevelopment Agency	1,000,000	3,700,000
	Social Security Taxes, Sick & Disability Leave	—	391,000-672,000
1979	SF Police Department, Part 1	—	10,500,000
	Purchasing - Central Shops	497,000	468,000
	Aid to Families with Dependent Children, DSS	—	2,000,000
	Wastewater Operations, Phase I	100,000,000	—
1980	SF Fire Department	—	6,700,000
	SF Police Department, Part 2	400,000	3,700,000
	SF District Attorney's Special Prosecutions Unit	—	250,000
	Recreation and Park	—	1,943,000
1981	SFCOA Nutrition Program	—	280,000
	Registrar of Voters	—	600,000
	Juvenile Court Alternatives for Out of Home Placement	475,000	2,600,000
	Recreation and Park, Phase 2	—	857,000
	Tax Collector's Office	—	6,800,000
1982	SF General Hospital	—	7,000,000
	Municipal Court	—	256,000
	Economic Development Activities Funded through CDBG	—	288,000
	Youth Guidance Center	—	644,000
1983	DSS/General Assistance	—	\$2,600,000

**BOARD OF SUPERVISORS
BUDGET ANALYST**

**SIGNIFICANT MANAGEMENT AUDIT REPORTS ISSUED
BY THE BUDGET ANALYST'S OFFICE SINCE 1971**

Year	Management Audit Reports Issued	Estimated Savings from Budget Analyst Recommendations	
		One-Time	Annual
	MUNI Court Traffic System	—	1,100,000
	Juvenile Courts - Probation Supervision and Log Cabin Ranch	—	900,000
1984	Residential Rent Stabilization Board	—	214,000
	Treasurer's Office Investment Policies	—	110,000
	Private Industry Council	\$500,000	80,000
1986	Port of SF	—	1,000,000
	Telecommunications Policy Committee	—	14,000
1987	Registrar of Voters	—	160,000
	Office of Citizen Complaints	—	—
	911 Emergency Dispatch System	—	—
	DSS Agreement with the Children's Home Society	—	105,000
1988	City's Compliance with the MBE/WBE/LBE Ordinance	—	—
	Department of City Planning	—	110,000
1989	Review of the Downtown Ballpark and Arena Proposals	—	—
	City's Permit Processing System	—	1,250,000
1991	Purchasing Department	—	2,000,000
1992	Senior Escort Program	—	174,000
	San Francisco Redevelopment Agency	—	350,000
	Early Retirement Program Audit	5,161,000	68,000
1993	Clean Water Audit	1,623,000	2,470,600
	Marina Yacht Harbor	—	194,000
	San Francisco Housing Authority	3,915,754	2,088,000
	City-owned Garages Audit	15,000	69,000-82,000
1994	Employees Retirement System - Workers Compensation	—	5.3-9.9 million
	Franchise Fee Audit of Viacom Cablevision	163,899	—
	San Francisco Water Department	—	1,125,000
1995	Tax Collector's Office	<u>3.5-6.9 million</u>	<u>7.1-16 million</u>
	TOTAL (in millions)	\$141.8-\$145.2	\$100.6-\$124.5

Memo to Budget Committee
March 13, 1996 Budget Committee Meeting

Item 11 - File 170-95-6.2

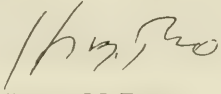
Department: Chief Administrative Officer (CAO)

Item: Motion awarding bonds and fixing definitive interest rates for \$63,590,000 in General Obligation Bonds (City Hall Improvement Bonds, Series 1996A).

Description: The Board of Supervisors previously approved a resolution (File 170-95-6.1) authorizing the public sale of \$63,590,000 in General Obligation Bonds consisting of Series 1996A, City Hall Improvement Bonds. That resolution also authorized the Budget Committee to award the bonds to the bidder whose bid represents the lowest true interest cost to the City. Accordingly, the proposed subject motion would award the bonds to the firm that bids the lowest true interest cost to the City for purposes of underwriting these City bonds.

The City Hall Improvement Bonds would be used to fund certain improvements at City Hall including the wiring of the building for modern computer networks and other electrical work, disabled access improvements, historic preservation improvements, and other improvements to the building.

Comment: Ms. Stephanie Carlisle of the CAO's Office advises that the bids for the bonds are scheduled to be opened at 9:00 am on Wednesday, March 13, 1996, and that it is essential to get the Budget Committee's approval of the lowest bidder on that day. Ms. Carlisle reports that the CAO will submit an Amendment of the Whole prior to the Budget Committee's scheduled meeting at 1:00 pm Wednesday, March 13, 1996, which will list the winning bidder, the other bidders, the interest rate that each bidder has offered to the City, and the MBE/WBE status of each bidder.



Harvey M. Rose

cc: Supervisor Hsieh	Supervisor Teng
Supervisor Kaufman	Supervisor Yaki
Supervisor Bierman	Clerk of the Board
President Shelley	Chief Administrative Officer
Supervisor Alioto	Controller
Supervisor Ammiano	Sam Yockey
Supervisor Kennedy	Paul Horcher
Supervisor Leal	Ted Lakey
Supervisor Migden	

BOARD OF SUPERVISORS
BUDGET ANALYST

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3/20/96

MINUTES
REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

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WEDNESDAY, MARCH 20, 1996 - 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE, ROOM 410

MEMBERS: SUPERVISORS HSIEH, KAUFMAN, BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:05 P.M.

HEARINGS

1. File 100-95-12. [Joint Report of Controller and Budget Analyst] Hearing to consider the joint report of the Controller and Budget Analyst, estimating the long-term budget impacts federal cuts will have on San Francisco's budget over the next seven (7) to nine (9) years. (Supervisor Hsieh)

(Consideration Continued from 3/13/96)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: John Madden, Assistant Controller. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO MARCH 27, 1996, MEETING.

VOTE: 3-0.

2. File 100-96-3. [Budget Status and Projections, State Budget Impact] Hearing to consider the status of San Francisco's budget; the budget projections for 1996-97; three year budget projections and impact of State's budget on San Francisco. (Supervisor Hsieh)

(Consideration Continued from 3/13/96)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: John Madden, Assistant Controller. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO MARCH 27, 1996, MEETING.

VOTE: 3-0.

REGULAR CALENDAR

3. File 101-92-60.12. [Reserved Funds, Fire Department] Consideration of release of reserved funds, Fire Department (1992 Prop. C Bond Issue Fund), in the amount of \$524,700 for the purpose of funding the construction contract for Fire Station No. 17. (Department of Public Works)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst.
IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RELEASE OF \$524,700 APPROVED. FILED.

VOTE: 3-0.

4. File 101-95-61. [Appropriation, Fire Department] Ordinance appropriating \$3,907,000, Fire Department, of 1986 Fire Protection Bond interest earnings for various capital improvement projects (repair Fireboat Phoenix, motorized AWSS control valve, AWSS storage tank, and AWSS facilities) for fiscal year 1995-96. (Controller) RO #95120

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst.
IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. AMENDED. RECOMMENDED AS AMENDED.
Reduce appropriation to \$3,900,223. Place a total of \$3,269,850 on reserve. AMENDED TITLE: "Ordinance appropriating \$3,900,223, Fire Department, of 1986 Fire Protection Bond interest earnings for various capital improvement projects (repair Fireboat Phoenix, motorized AWSS control valve, AWSS storage tank, and AWSS facilities) for fiscal year 1995-96; placing \$3,269,850 on reserve."

VOTE: 3-0.

TIME MEETING ADJOURNED: 1:15 P.M.

SF
S90.07
#3
3/20/96

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

March 15, 1996

TO: Budget Committee

DOCUMENTS DEPT

FROM: Budget Analyst *Recommendations for meeting of*

MAR 19 1996

SAN FRANCISCO
PUBLIC LIBRARY

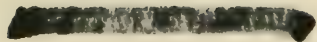
SUBJECT: March 20, 1996 Budget Committee Meeting

Items 1 and 2 - Files 100-95-12 and 100-96-3

Note: These items were continued by the Budget Committee at its meeting of March 13, 1996.

These items are hearings concerning (a) the long-term budget impacts that Federal budgetary reductions will have on the budget of the City and County of San Francisco over the next seven to nine years and (b) the City's three-year budget projections and the impact of the State's budget on San Francisco.

The Controller and the Budget Analyst will orally advise the Committee on any updated information pertaining to these items.



Memo to Budget Committee
March 20, 1996 Budget Committee Meeting

Item 3 - File 101-92-60.12

Department: Fire Department
Department of Public Works

Item: Hearing to consider release of reserved funds, Fire Department 1992 Proposition C Bond Funds, in the amount of \$524,700, for the purpose of funding a construction contract for Fire Station No. 17.

Amount: \$524,700

Source of Funds: 1992 Fire Protection Bond Funds, Series 1993D

Description: In November of 1992, the voters approved Proposition C, authorizing the issuance of Fire Protection Bonds Series 1993D. A total of \$40.8 million in these General Obligation bonds were approved to finance improvements related to various Fire Department facilities.

In May of 1993, the Board of Supervisors approved an appropriation request of \$15,204,533 from the Series 1993D Fire Protection bond funds, for various projects at Fire Stations throughout the City including seismic strengthening, disabled access improvements, and the construction of separate restroom facilities for male and female firefighters. At the same time, the Board placed \$10,788,125 of these bond funds on reserve pending the selection of contractors, the MBE/WBE status of the contractors, and contract cost details. The balance of funds remaining on reserve is currently \$3,569,792.

The proposed release of reserved funds, in the amount of \$524,700, would be used to pay for the construction contract and related costs for the renovation of Fire Station No. 17, located at 1295 Shafter Avenue. The scope of work for this project includes upgrading the building to minimum code standards, disabled access improvements, installation of separate facilities for female firefighters, and mechanical and electrical system improvements.

The Department of Public Works (DPW) has conducted a competitive bidding process for this contract and has selected K. P. Lam Bros. Construction as the lowest responsible bidder, based on a bid amount of \$570,200. K. P. Lam Bros. Construction is an MBE/LBE firm.

Memo to Budget Committee
March 20, 1996 Budget Committee Meeting

Budget: The total estimated project cost for Fire Station No. 17 is \$942,700, as follows:

Construction contract	\$570,200
Construction contingency	76,500
Asbestos Abatement (See Comment No. 3)	
Synergy Inc. 520 hrs. @\$58/hr.	30,160
IHI Environmental 68 hrs. @\$70/hr.	4,800
Materials & Supplies	4,410
DPW Staff (management, inspection, clerical 40 hrs., average rate of \$52/hr.)	2,080
Asbestos Contingency	<u>1,305</u>
Sub-total	<u>42,755</u>
Construction total	689,455
DPW Basic Design & Engineering (See Attachment I)	86,000
DPW Construction Management	74,400
Other Costs	<u>92,845</u>
TOTAL	\$942,700

Comments:

1. Attachment I, provided by the DPW, details the construction costs, design costs, percentage of design costs to construction costs, hours and hourly rates for DPW staff, and the overall cost for the renovation of Fire Station No. 17.

2. Attachment I, Page 1 shows the DPW's early estimate for the construction contract in the amount of \$566,500, plus asbestos abatement costs of \$42,755, plus a construction contingency amount of \$80,200, for an overall construction cost of \$689,455. However, as noted above, the actual low bid for the Fire Station No. 17 contract was \$570,200, a difference of \$3,700, which amount will be made available from construction contingency funds. The DPW's detailed budget on Attachment I, Page 2 therefore shows the amount of \$570,200 for the construction contract, plus asbestos abatement costs of \$42,755, plus the decreased construction contingency amount of \$76,500 (\$80,200 less \$3,700), for the overall construction cost of \$689,455.

3. Asbestos abatement work is carried out by private contractors on an as-needed basis under an existing contract with the DPW's Bureau of Construction Management. Contractors for the Fire Station No. 17 project are Synergy, Inc., which is a WBE firm, and IHI Environmental. IHI Environmental is not an MBE/WBE firm.

4. Attachments I and II, provided by the DPW, show the bidders, bid amounts, and MBE/WBE/LBE status of all bidders on the Fire Station No. 17 project.

5. As shown above, the total cost of the renovation of Fire Station No. 17 is estimated at \$942,700. This amount is to be funded through the proposed subject request for release of reserved Fire Protection Bond Funds in the amount of \$524,700, plus a previously approved appropriation of Fire Protection Bond funds in the amount of \$168,000 (File 101-92-60), plus a previously approved appropriation of Fire Protection Bond fund interest earnings in the amount of \$250,000 (File 101-95-45).

Recommendation: Approve the proposed release of reserved funds as requested.

PROJECT: FIRE STATION 17

Location: 1295 Shafter Avenue

Note: The following project budget was approved by the Budget Committee on February 21, 1996, when a separate supplemental appropriation, including the partial project funds of \$250,000 for this project, was requested by the Fire Department. (Refer to File 101-95-45).

Description Of Project:

This project is to upgrade the building to minimum code level. In addition, disabled access, female facilities and modification to mechanical and electrical systems, and other work will be performed.

Total Project Costs: \$942,700

Total Basic A/E Costs: \$86,000

Percentage of A/E Costs to Construction Costs: 12.47

Estimated dates of project completion: December 15, 1997

Distribution Of Funds:

		% of Construction
Construction	566,500	
Construction Contingency	80,200	
Asbestos Abatement	<u>42,755</u>	
Total Construction, Purchases, Installation	689,455	
A/E Basic Design Services	86,000	12.47
Construction Management	74,400	10.79
A/E Construction Services	24,000	3.48
Geotech, Surveys, and Data	7,245	1.05
Additional A/E Services	31,600	4.58
Project Management	16,000	
Reg. Agency Approvals	<u>14,000</u>	
Total:	\$942,700	

SAN FRANCISCO FIRE DEPARTMENT BOND PROJECT / JOB NO.: 5468A

Project: Fire Station 17

Location: 1295 Shafter Avenue

Project Cost Breakdown:

• Construction Reserve	524,700	Current Request
Approved Funds (Incl. Partial Constr. Cost)	418,000	
<u>Total Project Budget:</u>	<u>\$942,700</u>	

• **Expenditure Plan**

Funding for construction will be expended as follows:

Construction	570,200
Construction Contingency	76,500
Asbestos Abatement	42,755
Total Construction, Purchases, Installation	<u>\$689,455</u>

A/E Basic Design Services

	86,000	
Resident Engineer	32,920	499 hrs x \$65/hr.
DPW/BCM Clerical Support	14,814	477 hrs x \$31/hr.
Inspector	8,888	135 hrs x \$65/hr.
Supervisory	4,608	47 hrs x \$93/hr.
Wage Check, Testing, Special-Inspection, and Public Affairs	<u>13,170</u>	(Lump Sum)
Construction Management - Total	74,400	

A/E Construction Services

	24,000	
Geotech, Surveys & Data	7,245	(Lump Sum)
Additional A/E Services	31,600	
Project Management	16,000	
Reg. Agency Approvals (DBI, Real Estate, etc.)	<u>14,000</u>	(Lump Sum)
Total:	942,700	

• **Construction Contract Cost Breakdown**

<u>Prime Contractor, MBE (29%)</u>	
K. P. Lam Bros. Construction	162,870

Subcontractors: MBE

Quan Electric	72,000
J. S. Plumbing	35,000
K. Z. Tiles	10,000
T & M Metals (HVAC)	99,480
S. L. Construction (Dry wall)	29,747
Wing Wong Construction (Door/Demo)	10,000
Subtotal (45%)	256,227

Subcontractors, WBE

City Lumber (Door & Hardware)	8,888
S. F. International (Bldg. Materials)	28,000
United Glass Co.	10,225
Subtotal (8%)	47,113

Total WBE/MBE participation (53%)

Subcontractors, Non-MBE/WBE

MEI Design (Casework)	17,000
Drapery Concepts (Blinds)	4,700
Priority Eng. (Signs)	422
Nelson Adams (Display Boards)	592
Tollner Painting (Painting)	22,785
Associated Terrazzo	6,358
Young, Roofing	33,300
Pacific International (Flooring)	18,833
Subtotal (18%)	103,990

Total Construction Contract: \$570,200

City and County of San Francisco

Department of Public Works
Bureau of Architecture

Date: March 15, 1996

Subject: Use of Funds \$86,000

Budget Analyst
1390 Market Street - Room 1025
San Francisco CA 94102

Attention: Ms. Peg Stevenson

Dear Ms. Stevenson,

The followings are additional information for the A/E Basic Design Services, for the renovation project at Fire Station 17, as requested by you.

Basic Architectural/Engineering Design Services

Architect, 301 hrs. x \$77/hr.	\$23,200
Engineering Intern, 302 hrs. x \$34/hr.	10,300
Architectural Associate, 339 hrs. x \$53/hr.	18,000
Mechanical Engineer, 200 hrs. x \$70/hr.	14,000
Electrical Engineer, 193 hrs. x \$70/hr.	13,500
Structural Engineer, 82 hrs. x \$85/hr.	7,000
TOTAL	\$86,000

If you have any questions or need further information in regard to this matter please call me at 557-4657.

Sincerely,

Peter Wong
Peter K. Wong
Program Manager

PW/da

cc: Mark Primeau, BOA
Mike Pierron, BOA
Assistant Chief James Lynch, SFFD

5468aecs-pw8
da 3/15/96

Post-it* Fax Note 7671		Date 3/15/96	# of pages 1
To <i>Peg Stevenson</i>	From <i>Peter Wong</i>		
Co/Dept <i>Budget Analyst</i>	Co <i>DW-BOA</i>		
Phone # <i>557-7647</i>	Phone # <i>557-4657</i>		
Fax # <i>252-0461</i>	Fax # <i>557-4701</i>		

Item 4 - File 101-95-61

Department: Fire Department

Item: Supplemental Appropriation Ordinance appropriating \$3,907,900 of 1986 Fire Protection Bond interest earnings for various capital improvement projects for the Fire Department.

Amount: \$3,907,900

Source of Funds: 1986 Fire Protection Bond interest earnings

Description: In November of 1986, San Francisco voters approved the issuance of \$46.2 million in Fire Protection System Improvement General Obligation Bonds (Proposition A) to finance improvements to the City's Auxiliary Water Supply System (AWSS). The AWSS is a system of reservoirs, cisterns, pipelines, pump stations and fireboats which will provide a source of water for fire protection. Fireboats are the seaworthy equivalent of fire trucks.

The City sold \$31 million of these bonds in 1987 and \$15.1 million in 1991, for a total of \$46.1 million in Fire Protection System Improvement Bonds. This proposed supplemental appropriation request would approve an appropriation of \$3,907,900 of Fire Protection System Improvement Bonds. These funds would be used for four capital improvement projects, as follows:

Repair and Improve Fireboat Phoenix	\$594,000
Motorized AWSS Control Valves	2,499,700
AWSS Water Storage Tank Repair	187,200
Immediate Emergency Repair of AWSS Facilities	<u>627,000</u>

Total Costs	\$3,907,900
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Budget: A description of these four projects and their related detailed budgets are shown below.

Repair and Improve Fireboat Phoenix \$594,000

The Fireboat Phoenix requires refurbishment of its remote monitors (nozzles), located under wharves, that are used to suppress fires on piers, replacement of its inoperable tower monitor system to provide additional water coverage, replacement of rusting and unsafe deck plates, and retrofitting of its fire pumps and valving to ensure operation of the fire pumps in emergencies.

BOARD OF SUPERVISORS
BUDGET ANALYST

Fireboat Phoenix Repair and Improvement Budget

Construction

Construction Contract	\$435,000
Construction Contingency (9.9 percent)	<u>43,250</u>
Total Construction	\$478,250

DPW Bureau of Engineering

<u>Class</u>	<u>Title</u>	<u>Cost per Hour</u>	<u>Number of Hours</u>	<u>Cost</u>
5206	Assoc. Civil Engineer	\$29.28	26	\$761
5208	Civil Engineer	33.89	4	136
5238	Assoc. Electrical Engineer	29.28	48	1,405
5242	Senior Electrical Engineer	39.23	4	157
5254	Assoc. Mechanical Engineer	29.28	300	8,784
5256	Mechanical Engineer	33.89	17	576
5258	Senior Mechanical Engineer	39.23	8	314
5346	Mech. Engr. Associate I	22.39	293	6,560
5254	Elect. Engr. Associate I	22.39	58	1,299
5364	Civil Engr. Associate I	22.39	24	537
5506	Project Manager III	43.11	<u>170</u>	<u>7,329</u>
	Subtotals		952	\$27,858
	Mandatory Fringes and Overhead*			<u>30,875</u>
	Total DPW Bureau of Engineering			\$58,733

DPW Bureau of Construction Management

<u>Class</u>	<u>Title</u>	<u>Cost per Hour</u>	<u>Number of Hours</u>	<u>Cost</u>
5208	Civil Engineer	33.89	80	\$2,711
6318	Construction Inspector	29.28	664	19,442
	Various Administrative (inc. secretaries and area managers)	26.91	<u>210</u>	<u>5,652</u>
	Totals		954	\$27,805
	Mandatory Fringes and Overhead*			<u>29,212</u>
	Total Bureau of Construction Management			<u>57,017</u>

* DPW mandatory fringe benefits and overhead cost, for the Bureau of Engineering and for the Bureau of Construction Management are in conformance with the DPW's overhead plan, which is updated annually and approved by the Controller.

Total \$594,000

The Fire Department advises that the construction contractor for the Fireboat Phoenix has not yet been selected.

Motorized AWSS Control Valves \$2,499,700

Auxiliary Water Supply System (AWSS) control valves enable the Fire Department to open and close water valves remotely by radio from various control locations. In the event of pipe failures, especially after an earthquake, the immediate closure of valves to isolate the failed section of the pipe would reduce property damage and avoid draining the storage reservoir. This work consists of installing valve operators, constructing valve vaults, installing batteries, electrical and radio contracts and related equipment to enable to the Fire Department to open and close valves remotely at fourteen locations. This supplemental appropriation request would support 14 AWSS valves to be motorized and operational.

Motorized AWSS Control Valves Budget

Construction

Construction Contract	\$1,830,000
Construction Contingency (10.1 percent)	<u>185,000</u>
Total Construction	\$2,015,000

Radio Control System Purchase (see Comment 1) 24,000

DPW Bureau of Engineering

<u>Class</u>	<u>Title</u>	<u>Cost per Hour</u>	<u>Number of Hours</u>	<u>Cost</u>
5206	Assoc. Civil Engineer	\$29.28	318	\$9,311
5208	Civil Engineer	33.89	134	4,541
5238	Assoc. Electrical Engineer	29.28	260	7,613
5242	Senior Electrical Engineer	39.23	40	1,569
5254	Assoc. Mechanical Engineer	29.28	531	15,548
5256	Mechanical Engineer	33.89	214	7,252
5258	Senior Mechanical Engineer	39.23	40	1,569
5346	Mech. Engr. Associate I	22.39	564	12,628
5354	Elect. Engr. Associate I	22.39	279	6,247
5364	Civil Engr. Associate I	22.39	361	8,083
5506	Project Manager III	43.11	<u>450</u>	<u>19,400</u>
	Totals		3,191	\$93,761

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
March 20, 1996 Budget Committee Meeting

Mandatory Fringes and Overhead* 103,915
\$197,676

DPW Bureau of Construction Management

<u>Class</u>	<u>Title</u>	<u>Cost per Hour</u>	<u>Number of Hours</u>	<u>Cost</u>
5208	Civil Engineer	33.89	378	\$12,810
5304	Materials Testing Aide	19.66	265	5,210
5305	Materials Testing Aide	21.03	250	5,258
6318	Construction Inspector	29.28	2,460	72,029
	Various BCM Administrative (inc. secretaries and area managers)	26.92	<u>557</u>	<u>14,993</u>
	Totals		3,910	\$110,300

Mandatory Fringes and Overhead* 115,881

Total Bureau of Construction Management \$226,181

Department of Parking and Traffic (DPT)

<u>Class</u>	<u>Title</u>	<u>Cost per Hour</u>	<u>Number of Hours</u>	<u>Cost</u>
5228	Assistant Traffic Engineer	24.69	224	\$5,531
5230	Traffic Engineer	33.89	<u>151</u>	<u>5,117</u>
	Total Salary Costs		375	\$10,648
	Mandatory Fringes & Overhead @ 152% (see below)			16,195

Painting, Traffic Striping & Markers 10,000

Total DPT 36,843

Total Motorized Control Valves \$2,499,700

The Fire Department advises that the construction contractor for the Motorized AWSS Control Valves has not yet been selected.

* DPW mandatory fringe benefits and overhead cost, for the Bureau of Engineering and for the Bureau of Construction Management are in conformance with the DPW's overhead plan, which is updated annually and approved by the Controller.

BOARD OF SUPERVISORS
BUDGET ANALYST

AWSS Water Storage Tank Repair **\$187,200**

The AWSS Water Storage Tank feeds water into the AWSS Water System. An inspection of the AWSS Water Storage Tank, conducted by Kta-Tator, Inc., a protective coatings consultant, revealed that corrosion has occurred on both the interior and exterior surfaces of the tank.

The consultant recommended that certain repairs be done to restore the integrity of the tank and to extend its useful life. The work included in this request consists of repairing all corroded surfaces, applying protective coatings to the interior and exterior of the tank, repairing or replacing the roof support and adding roof railings and guards at the hatchway and the ladder cage.

AWSS Water Storage Tank Repair Budget

Construction

Construction Contract	\$136,000
Construction Contingency (10%)	<u>13,600</u>
Total Construction	\$149,600

DPW Bureau of Engineering

<u>Class</u>	<u>Title</u>	<u>Cost per Hour</u>	<u>Number of Hours</u>	<u>Cost</u>
5206	Assoc. Civil Engineer	\$29.28	46	\$1,347
5256	Mechanical Engineer	33.89	54	1,830
5246	Mechanical Engr. Assoc. I	22.39	80	1,791
5364	Civil Engr. Assoc. I	22.39	40	896
5506	Project Manager III	43.11	<u>24</u>	<u>1,035</u>
	Totals		244	\$6,899
	Mandatory Fringes & Overhead*			<u>7,686</u>
Total DPW Bureau of Engineering				\$14,585

* DPW mandatory fringe benefits and overhead cost, for the Bureau of Engineering and for the Bureau of Construction Management are in conformance with the DPW's overhead plan, which is updated annually and approved by the Controller.

DPW Bureau of Construction Management

<u>Class</u>	<u>Title</u>	<u>Cost per Hour</u>	<u>Number of Hours</u>	<u>Cost</u>
5208	Civil Engineer	\$33.89	44	\$1,491
6318	Construction Inspector	29.28	260	7,613
	Various BCM Administrative (includes secretaries and area managers	26.92	78	2,100
	Total Salary Costs		382	\$11,204
	Mandatory Fringes and Overhead*			11,811
	Total Bureau of Construction Management			23,015
	Total Tank Repair			\$187,200

The Fire Department advises that the construction contractor for the AWSS Water Storage Tank Repair has not yet been selected.

**Immediate Emergency Repair of AWSS
Facilities** **\$627,000**

According to the Fire Department, from time to time, AWSS facilities suffer failures such as broken or leaking pipes or pump failures. When failure occurs, immediate repair is required to restore protection capabilities. If the repair is beyond the ability of the DPW maintenance crew, private contractors must be hired to do the work immediately. Currently, in order to complete these repairs, the Fire Department submits supplemental appropriation requests for such repairs. According to Mr. Steve Van Dyke of the Fire Department, it can take up to 90 days to receive approval of a supplemental appropriation request. The Budget Analyst notes that the Board of Supervisors considers supplemental appropriation requests expeditiously once such requests have been submitted to the Board. During the supplemental appropriation approval period, the damaged equipment does not function fully. The Fire Department originally requested that this \$627,000 appropriation be placed on reserve so that funding approval for each repair project could be obtained more quickly since reserved funds can be released by the Budget Committee, once the request has been calendared.

* DPW mandatory fringe benefits and overhead cost, for the Bureau of Engineering and for the Bureau of Construction Management are in conformance with the DPW's overhead plan, which is updated annually and approved by the Controller.

Memo to Budget Committee
March 20, 1996 Budget Committee Meeting

Comments:

1. Mr. Larry Garde of the Department of Electricity and Telecommunications advises that the estimated \$24,000 cost to purchase the radio control system, which would operate the Motorized AWSS Control Valves by remote control, is a reasonable cost estimate.

2. According to Mr. Ed Walsh of the DPT, the overhead rate for DPT, related to the Motorized AWSS Control Valves project, should be 80 percent of salary costs and not 152 percent. Therefore, the DPT overhead costs should be reduced by \$7,677, from \$16,195 to \$8,518.

3. According to Mr. Bob Jew of the DPW, the amount of \$627,000 for the Immediate Emergency Repair of AWSS Facilities project was estimated based on the prior year's expenditures for such repair work, in combination with projected failures. Mr. Jew advises that this request of \$627,000 is anticipated to last for up to two years. Although the Fire Department originally requested that these funds be placed on reserve, due to an oversight, the legislation for this proposed supplemental appropriation ordinance does not currently place the \$627,000 for such emergency repairs on reserve. Therefore this request of \$627,000 for Immediate Emergency Repair of AWSS Facilities should be placed on reserve, pending a determination as to the need for such expenditures and submission of related budget details to the Budget Committee.

Recommendations: 1. Reduce the supplemental appropriation request for Motorized Auxiliary Water Supply System (AWSS) Control Valves by \$7,677, from \$2,499,700 to \$2,492,023 in accordance with Comment No. 2 above.

2. Reserve the following amounts pending selection of the construction contractors, submission of cost details and the MBE/WBE status of the contractors:

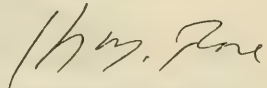
Fireboat Phoenix	\$478,250
Motorized AWSS Control Valves	2,015,000
AWSS Water Storage Tank Repair	<u>149,600</u>

Total Amount to Be Placed on Reserve	\$2,642,850
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3. Reserve the amount of \$627,000 for Immediate Emergency Repair of AWSS Facilities, pending a determination as to the need for such expenditures and submission of related budget details to the Budget Committee, in accordance with Comment No. 3 above.

BOARD OF SUPERVISORS
BUDGET ANALYST

4. Approve the proposed ordinance as amended.



Harvey M. Rose

cc: Supervisor Hsieh
Supervisor Kaufman
Supervisor Bierman
President Shelley
Supervisor Alioto
Supervisor Ammiano
Supervisor Kennedy
Supervisor Leal
Supervisor Migden
Supervisor Teng
Supervisor Yaki
Clerk of the Board
Chief Administrative Officer
Controller
Sam Yockey
Paul Horcher
Ted Lakey

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3/27/96

MINUTES
REGULAR MEETING
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, MARCH 27, 1996 - 1:00 P.M.

VETERANS BUILDING
401 VAN NESS AVENUE, ROOM 410

MEMBERS: SUPERVISORS HSIEH, KAUFMAN, BIERMAN

CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:06 P.M.

HEARINGS

1. File 100-95-12. [Joint Report of Controller and Budget Analyst] Hearing to consider the joint report of the Controller and Budget Analyst, estimating the long-term budget impacts federal cuts will have on San Francisco's budget over the next seven (7) to nine (9) years. (Supervisor Hsieh)

(Consideration Continued from 3/20/96)

SPEAKERS: None.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO APRIL 3, 1996, MEETING.

VOTE: 3-0.

2. File 100-96-3. [Budget Status and Projections, State Budget Impact] Hearing to consider the status of San Francisco's budget; the budget projections for 1996-97; three year budget projections and impact of State's budget on San Francisco. (Supervisor Hsieh)

(Consideration Continued from 3/20/96)

SPEAKERS: None.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO APRIL 3, 1996, MEETING.

VOTE: 3-0.

3. File 30-96-4. [Health Department, Deloitte & Touche Report] Hearing to consider the 1995 Annual Report from Deloitte & Tourche Consulting Group which summarizes consulting activities performed at the Department of Public Health to enhance revenues and reduce costs. (Supervisor Hsieh)

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Dr. Sandra Hernandez, Director of Health, Department of Public Health.
IN SUPPORT: None. SOME OPPOSITION: Dale Beckner, Local 790.

ACTION: HEARING HELD. CONSIDERATION CONTINUED TO THE CALL OF THE CHAIR.

VOTE: 3-0.

REGULAR CALENDAR

4. File 155-96-1. [Reward Authorization] Ordinance authorizing payment of reward to Doe One. (Mayor)

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

5. File 101-95-67. [Appropriation, Airport] Ordinance appropriating \$81,065,500, Airport, of 1992 Airport Revenue Bond procees for capital improvements and professional services to implement the Master Plan Mitigation Noise Insulation Program for fiscal year 1995-96. (Controller) RO #95174

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Peter Nardoza, S.F. Airport; Spencer Ballard, Deputy Director of Business and Finance, S.F. Airport. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

6. File 101-95-66. [Appropriation, Tax Collector/Treasurer/Assessor] Ordinance appropriating \$571,428, Tax Collector/Treasurer/Assessor, from the General Fund Reserve for salaries and mandatory fringe benefits to implement an Arbitrator's Award increasing rates of pay of Real Property Auditors and Appraisers retroactive to July 1994 for fiscal year 1995-96. (Controller) RO #95173

SPEAKERS: DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Ted Lakey, Deputy City Attorney; Ed Harrington, Controller. IN SUPPORT: Morito Miravite, Tax Collector's Office. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

7. File 101-95-68. [Appropriation, Dept. of Public Health] Ordinance appropriating \$20,000,000 to allow San Francisco General Hospital to participate in the SB 1255 Disproportionate Share Payment Program through the California Medical Assistance Commission during fiscal year 1995-96. Funded from miscellaneous Health Department revenues. (Supervisor Hsieh) RO #95180

SPEAKERS: DEPARTMENTAL REPRESENTATIVE: Harvey Rose, Budget Analyst. IN SUPPORT: None. OPPOSED: None.

ACTION: HEARING HELD. RECOMMENDED.

VOTE: 3-0.

TIME MEETING ADJOURNED: 2:17 P.M.

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

March 22, 1996

TO: Budget Committee

DOCUMENTS DEPT.

FROM: Budget Analyst

MAR 28 1996

SUBJECT: March 27, 1996 Budget Committee Meeting

SAN FRANCISCO
PUBLIC LIBRARY

Items 1 and 2 - Files 100-95-12 and 100-96-3

Note: These items were continued by the Budget Committee at its meeting of March 20, 1996.

These items are hearings concerning (a) the long-term budget impacts that Federal budgetary reductions will have on the budget of the City and County of San Francisco over the next seven to nine years and (b) the City's three-year budget projections and the impact of the State's budget on San Francisco.

The Controller and the Budget Analyst will orally advise the Committee on any updated information pertaining to these items.



Item 3 - File 30-96-4

Department: Department of Public Health (DPH)
Department of Mental Health and Substance Abuse Services (DMSF)
San Francisco General Hospital (SFGH)
Laguna Honda Hospital (LHH)

Item: Hearing to consider the 1995 Annual Report from Deloitte & Touche Consulting Group which summarizes consulting activities performed at the Department of Public Health to enhance revenues and reduce costs.

Description: In 1993, the Deloitte & Touche (D&T) Consulting Group contacted the Department of Public Health (DPH) to discuss opportunities to manage public health service needs with constrained Federal, State and City budgetary resources. As a result of these discussions, D&T conducted a pro bono diagnostic assessment to identify specific opportunities to enhance revenues throughout the DPH. The DPH then completed a competitive vendor selection process, and awarded a contract to D&T in March, 1994 to provide operational and financial consulting services. Compensation under the D&T contract is based upon a percentage of enhanced revenues and cost savings as discussed in Comment #1. The consulting project began in January, 1995.

This hearing is to provide an annual summary of consulting activities completed during 1995 and the actual net additional revenues and reduced costs which have been realized as a result of the D&T contract. As of December, 1995, eight initiatives were undertaken by D&T. Based upon a review of documentation provided by the DPH, as of December 31, 1995, a total of \$4,735,784 in actual increased revenues have been received by the DPH (or 20 percent), out of a total of \$23.5 million in estimated revenue enhancements and reduced costs identified by D&T for FY 1995-96.

The Attachment to this report provided by Ms. Monique Zmuda, Chief Financial Officer of the DPH provides written verification that these revenues have been realized by DPH as a direct result of the recommendations made by D&T.

A summary of these D&T initiatives and the estimated financial impact of the recommendations are as follows:

Major Initiative	Annual Estimated \$ Impact (in millions)	
	FY 95-96	FY 96-97
<u>Organizational Restructuring</u> Identified 49 key functions of the DPH and identified areas for consolidation and operational efficiencies. No fees will be paid to D&T for this initiative. The result of this initiative would be to achieve operational efficiencies and eliminate redundant functions in order to compete in a managed care environment.	\$0	\$0
<u>Contract Services</u> Review of contract services between SFGH and UCSF. D&T has performed a detailed productivity analysis. As a direct result of the D&T study, SFGH will implement operating efficiencies which result in \$3.0 million in savings which are proposed for SFGH's FY 96-97 budget.	0	3.0
<u>Provider Reimbursement/Rate Setting</u> Standardization of contract provider rates and mental health/substance abuse services based upon a revised rate structure. No cost savings is yet projected for FY 95-96 or FY 96-97.	0	0
<u>Federal Funds Maximization</u> During FY 95-96, D&T identified one-time and ongoing revenue opportunities including 1) one-time revenues from retroactive cost based claiming under Federally Qualified Health Centers (FQHC), 2) improved third-party eligibility determination, 3) enhanced claiming of Short-Doyle Medi-Cal monies, 4) claiming previously disallowed Medi-Cal Administrative Claiming (MAC) revenues, 5) alternative claiming for jail health services and 6) various revenue enhancements at LHH.	18.5	9.0

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Major Initiative	Annual Estimated \$ Impact (in millions)	
	FY 95-96	FY 96-97
These increased Federal funds to the DPH are projected at \$18.5 million for FY 95-96 and \$9 million for FY 96-97, totaling \$27.5 million. Of the \$18.5 million in estimated revenues for FY 1995-96, \$4,735,784 in actual revenues have been received by the DPH (See Comment #2). The revenue enhancements are estimates and therefore, have not been included in the Department's current year or proposed FY 96-97 budget, except for the \$4.7 million in actual revenues received.		
<u>SFGH Operations Improvement</u> Redesign of inpatient care delivery, billing and financial services. Cost savings totaling \$5.0 million have been identified for FY 95-96 which have already been included within the SFGH's FY 95-96 budget (as undetailed savings). The \$500,000 in savings for FY 96-97 results from changing the skill mix of staff. Ms. Zmuda reports that these savings can be achieved within the existing provisions of the Current Nurses MOU which are proposed to remain in effect through FY 1996-97.	\$5.0	\$0.5
<u>LHH Operations Improvement</u> D&T identified operational efficiencies through a comprehensive nursing operations diagnostic review. \$4.5 million in savings have been identified and will be included in the LHH's FY 96-97 budget, according to Ms. Zmuda. Ms. Zmuda states that \$4.5 million in savings will result from staffing adjustments (including the deletion of positions and using lower staff classifications) and the consolidation of nursing activities which can be accomplished under the existing MOU.	0	4.5

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Major Initiative	Annual Estimated \$ Impact (in millions)	
	FY 95-96	FY 96-97
Ms. Zmuda states that the nurses have agreed to extend the existing MOU effective through FY 1996-97. The MOU will be considered before the Government Efficiency and Labor Committee meeting (File 3-95-1.1) on March 25, 1996.		
<u>Primary Care Operations Improvement</u>	\$0	\$2.6
Assessments included establishing provider productivity standards. No cost savings has been identified for FY 95-96, but \$2.6 million are proposed in the DPH's FY 96-97 budget. These savings will result from changing the skill mix of staff and from reducing the overall number of providers.		
<u>Special Projects</u>	<u>0</u>	<u>0</u>
D&T reports that technical assistance was provided during FY 1995-96 on licensing options for the Mental Health R-Facility, and potential revenue enhancements for Paramedic Services, and improved home care services. Ms. Zmuda states that no fees will be paid to D&T for these services.		
Total Projected Increased Revenues and Reduced Costs Recommended by D&T	\$23.5	\$19.6

Comments:

1. The contract with D&T states that D&T would receive contingency payments in each project area based upon a percentage of cost savings or new revenues realized as a direct result of contracted services. The basis of payment for services provided by D&T is subject to the following fees:

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Amount of Cumulative Enhanced Revenues and Cost Savings Realized by DPH	D&T's Fees as a Percent of Enhanced Revenues and <u>Cost Savings</u>
\$0 to \$10 million	22.5%
Over \$10 million-\$20 million	20.0%
Over \$20 million-\$30 million	17.5%
Over \$30 million	20.0%

2. Of these estimated additional revenues and reduced costs totaling \$23.5 million for FY 1995-96, actual increased revenues received by the DPH as a direct result of D&T's efforts are \$4,735,784. The \$4,735,784 in additional actual revenues received by the DPH is comprised of \$3.7 million in Short-Doyle Medi-Cal and \$1.0 million of Retroactive Medi-Cal Administrative Claiming (MAC) of one-time revenues received by SFGH. The Short-Doyle Medi-Cal revenues are a result of a revised cost allocation reporting methodology devised by D&T. Medi-Cal Administrative Claiming (MAC) revenues increased as a result of the development of time surveys to support claiming. Ms. Zmuda indicates that D&T manually compiled records and developed a retroactive claim that was submitted to the State for receipt of the MAC revenues. None of the cost savings recommendations by D&T for the SFGH Operations Improvement items estimated at \$5 million, as shown in the summary table above, have been implemented.

3. Based upon the fee schedule shown above, the City is obligated to pay D&T a total of \$1,065,551 through December 31 1995 (which is 22.5 percent of \$4,735,784) for an estimated 31,600 hours of staff time. According to Ms. Zmuda, each project is monitored and reviewed through an extensive approval process of "baselines" (which define the scope of work and the method by which revenues or cost savings will be measured). Each baseline is reviewed and modified by DPH executive staff. Subsequently, each baseline is presented to the Controller and his staff, who also have an opportunity to review and revise the baseline. Ms. Zmuda reports that this review process is designed to ensure that the consultant is only paid fees (a) for those activities which are clearly defined and measurable, and (b) which are a direct outcome of the implementation of D&T's recommendations.

4. Based on the documentation provided to the Budget Analyst and based upon an explanation of the review

procedures implemented by DPH and the Controller, the Budget Analyst concurs that \$4.7 million in revenues have been received by the DPH as a direct result of D&T's efforts.

5. Ms. Josie Mooney, Deputy Director of the Service Employees International Union, Local 790, reports that she is extremely concerned with the "de-skilling" of patient care givers (e.g. using lower level classifications) and the impact upon the quality of care as recommended by D&T at SFGH and LHH for fiscal year 1996-97. Ms. Mooney states that she has not yet met with the DPH to discuss the productivity and efficiency issues and the specific changes in working conditions recommended in the D&T report. Ms. Zmuda reports that the DPH has met with labor unions related to accepting and implementing the recommendations of D&T.

6. DPH and D&T staff will be available to respond to questions at the March 27, 1996 Budget Committee meeting.

7. We recommend that the Budget Committee send a letter to the DPH requesting that DPH submit a separate written report to supplement their Fiscal Year 1996-97 budget, in order to specifically identify all reduced expenditure items and increased revenue items which are contained in the Fiscal Year 1996-97 budget as a result of the work of Deloitte & Touche Consulting Group.



Date: March 21, 1996

Memo To: Harvey Rose, Budget Analyst

Through: Sandra Hernández, M.D., Director of Health

From: Monique Zmuda, Chief Financial Officer, DPH

Re: D & T Summary of Activities Report

15/21/96
[Signature]

This memo is to respond to questions that the Budget Analysts has regarding the Deloitte and Touche Consulting Group 1995 Annual Report: Summary of Activities. This report will be heard by the Board of Supervisors' Budget Committee on March 27. I am responding to questions related to the Department's actual receipt of additional revenues, the process by which baselines are developed and approved, the savings achieved in the UC contract, and other costs reductions in the area of operations improvement.

Receipt of Revenues: As indicated in the D & T report, the Department of Health has already received enhanced revenues of \$4.8 million in the current year. These revenues are directly related to the work performed by D & T in the areas of 1) cost reporting and 2) MediCal Administrative Claiming.

1) D & T reviewed the Department's 1993-94 MediCal -Short Doyle cost report and found that additional revenues could be earned if the Department's allocation methodology of indirect costs were modified. D & T revised the cost report in its entirety, and the revision was resubmitted to the State in accordance to State guidelines. The revised cost report resulted in a net increase of \$3.7 of revenue to the Department.

2) D & T provided the Department with extensive technical assistance in our MediCal Administrative Claiming (MAC) activities. At San Francisco General Hospital, the Department abandoned MAC claiming because of indications from the State that hospital-based claims would not be eligible for reimbursement. D&T researched the legal and regulatory provisions related to MAC, surveyed other jurisdictions, developed State required claiming protocols and instruments, developed the claims, costed out the reimbursable services including DPH overhead, and submitted the claims on behalf of DPH. We were paid \$1,074,935 for the claims submitted.

In order for D & T to receive any fee from their revenue maximization work, actual revenues must be received by the Department. As requested, I have attached verification of the receipt of these additional revenues.

Development of Baselines: Each D & T project is monitored and reviewed through an extensive approval process of baselines. D & T Consultants develop the baselines (which define the scope of work, and the method by which revenues or cost savings will be measured) with the finance staff of each division within DPH. The baselines are then approved by the Hospital Administrator/Deputy of Health within the Division. Then, the baseline is forwarded to the DPH Chief Financial Officer for review, modification, and approval. Next, the baselines are reviewed by the Department's D & T Steering Committee, which consists of the Executive Administrators of the two Hospitals, the three Deputy Directors of Health, the Chief Financial Officer, the Human Resources Director, and the Director of Health. Once approved by the Steering Committee, the baselines are then presented, reviewed and approved by the Controller and his staff. It is important to note that this review process is designed to raise and respond to questions to insure that the baselines are consistent with the City's financial systems, are in the best financial interest of the Department, and are clearly defined and measurable.

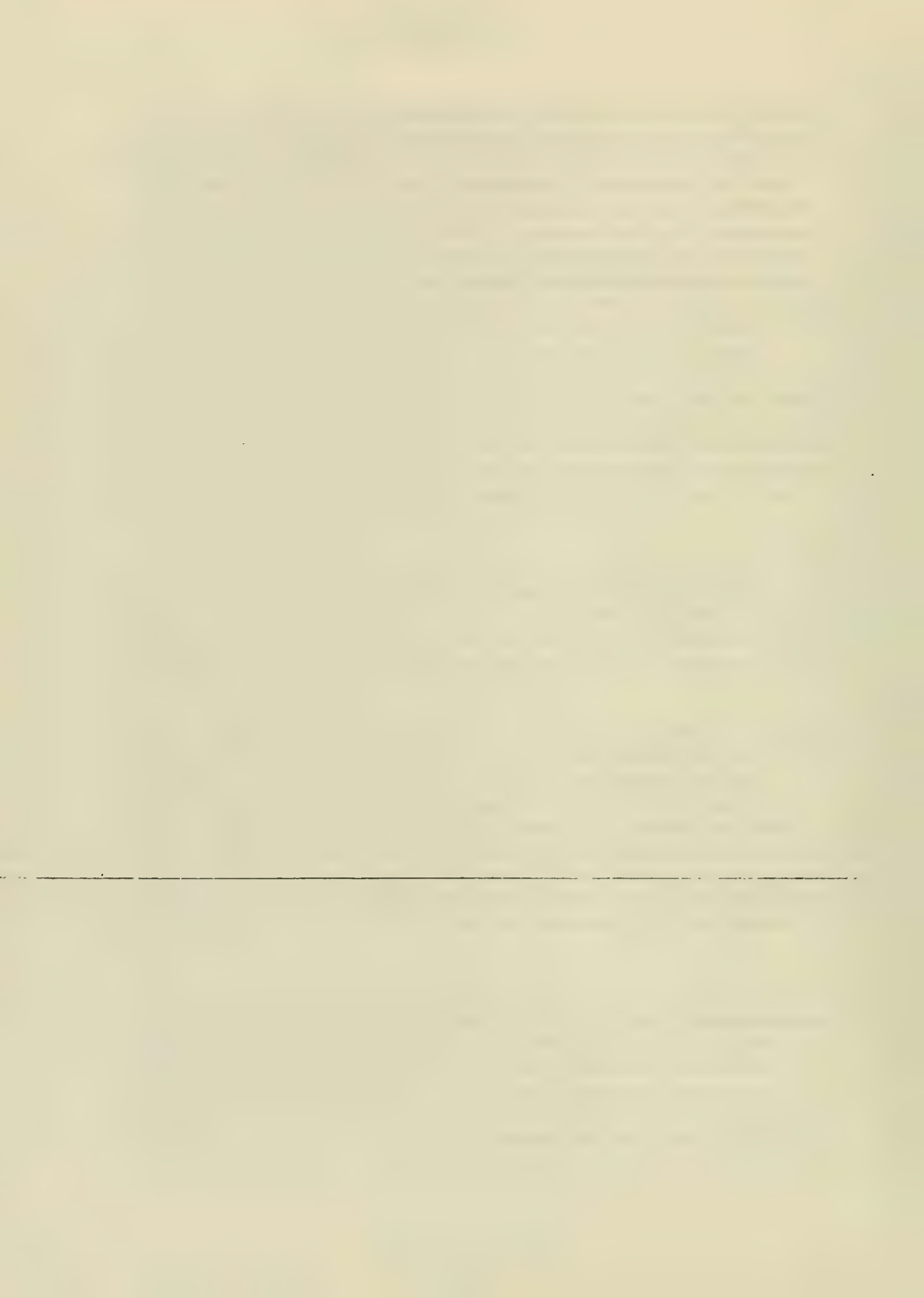
UC Contract: The consultation provided to Deloitte and Touche on the affiliation agreement and has provided SFGH with data to implement reductions in the UC Affiliation Agreement. SFGH has not budgeted a cost of living adjustment for the Affiliation Agreement for next fiscal year and thus will achieve a \$3 million cost avoidance within the UC contract. Cost increases which are granted to UC by the State will be absorbed through implementing cost savings and efficiencies.

Operations Improvement: D & T provided the Department with extensive consultation in the area of cost reduction. Specifically, D & T performed benchmarking comparisons for our major service areas, conducted activity surveys of nursing staff, provider productivity analyses, actual vs. payroll analyses, time studies, and clinic observations. This data was analyzed in order to determine optimum staffing patterns for Laguna Honda's nursing division, San Francisco General Hospital Inpatient wards, and primary care clinics at San Francisco General and Community Health Services. The consultants also performed extensive reviews of patient flow in order to reduce patient wait times and improve patient through-put, increase provider and nurse productivity, and improve quality of care.

The cost savings identified in the D & T report represent reduction proposals which been approved by the Department, and incorporated into the Department's existing budget, or proposed in the 1996-97 budget submission. The reductions in our budget can be implemented without any changes to the existing labor agreements. In the current year, the SFGH budget included \$10 million in reductions within the personal services and operating accounts to be achieved by year end. SFGH has made the reductions necessary to bring the hospital's expenses in line with its approved budget. A total of \$5 million in reductions are a result of the D & T analyses over the passed year. For next fiscal year, the

Department has proposed \$7.6 million of reductions in the areas of long term care at Laguna Honda, inpatient care at SFGH, and primary care at the Hospital and Community Health Services. These reductions are proposed in order to bring the Department's cost for health care services closer in line to actual reimbursement and in order to be more competitive in the health care market within San Francisco.

Please call me if you have any additional questions regarding the report or the D & T engagement with the Department of Health.



Memo to Budget Committee
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Item 4 - File 155-96-1

Departments: Mayor
Police Department

Item: Ordinance authorizing payment of a reward to Doe One.

Reward Amount: \$10,000

Source of Funds: General Fund - FY 1995-96 Judgements and Claims Account

Description: The Police Department has reported that on March 27, 1994, Mr. Justin Jones was stabbed to death while attempting to apprehend a mugger on the 1600 block of Haight Street.

As part of the investigation into the crime against Mr. Jones, the Police Department requested that the Mayor exercise his authority under Section 10.177.1 of the City's Administrative Code to offer a reward for information leading to the determination of the identity, apprehension and conviction of the person responsible for the murder of Mr. Jones. In addition, the Police Department requested that the Mayor set the reward amount at \$10,000.

The Mayor approved the posting of the \$10,000 reward, and subsequent to the reward being posted, a person named herein as "Doe One", provided information to the Police Department leading to the apprehension and identification of the suspect in this crime and the apprehension of three other persons who were with the suspect during the homicide.

On October 31, 1995, a jury in San Francisco Superior Court 24, returned a guilty verdict against the suspect in this case.

According the Police Department, the assistance of Doe One was critical in leading to the identity and the apprehension of the suspect. As such, the Mayor is requesting that the Board of Supervisors now approve the proposed ordinance which would authorize payment of a \$10,000 reward to Doe One.

Comment: The source of funds for payment of the proposed \$10,000 reward would be the FY 1995-96 Judgements and Claims Account of the General Fund previously approved by the Board of Supervisors. According to Mr. Matthew Hymel of the Controller's Office, as of March 18, 1996, the balance in this Judgements and Claims Account was \$541,058.

Recommendation: Approve the proposed ordinance.

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BUDGET ANALYST



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Item 5 - File 101-95-67

Department: Airports Commission

Item: Ordinance appropriating \$81,065,500 of Airport Revenue Bond proceeds for capital improvements and professional services to implement the Master Plan Mitigation Noise Insulation Program for Fiscal Year 1995-96.

Amount: \$81,065,500

Source of Funds: 1992 San Francisco International Airport Revenue Bonds, Series 11

Description: The San Francisco International Airport's Home Insulation Master Plan Mitigation Program consists of insulating private residences in five cities, including the City of Daly City, the City of Pacifica, the City of San Bruno, the City of South San Francisco, and the City of Millbrae. The Board of Supervisors previously approved the issuance of up to \$82.3 million in Airport Revenue Bonds in order to complete the funding for this program (File 170-96-1).

As previously reported to the Board of Supervisors, under a 1992 Memorandum of Understanding (MOU) between the Airport and the five cities listed above, the Airport agreed to provide funding for noise mitigation in the five cities listed above, and the cities agreed not to litigate against the Airport for noise created by the Airport's expansion. The current total estimated cost of the noise mitigation program is \$110,832,000. Initially, the cities were to have provided 80 percent of the funding for the Noise Mitigation Program by reimbursing the Airport with Federal Aviation Administration (FAA) grant funds. However, the Airport now expects to receive a total of only approximately \$37 million in FAA funding, including FAA reimbursements from the cities and FAA direct grants to the Airport for the Noise Mitigation Program. The amount of the Airport Revenue bonds issued for this purpose, \$82.3 million, was based on the \$110,832,000 estimated cost for noise mitigation under the MOU, less approximately \$37 million in estimated FAA grant funds to be received by the Airport, plus bond issuance costs of approximately \$8.5 million.

The proposed ordinance would appropriate an amount of \$81,065,500 of the funds from the sale of the Series 11 bonds so that the Airport can proceed with implementation of the Noise Mitigation Program by purchasing noise easements from the five cities, establishing a debt reserve fund, and

contracting for professional services associated with the issuance of the bonds.

Budget: The budget for the proposed expenditure of these bond funds is summarized below:

<u>Purchase of Noise Easements</u> (See Comment No. 1)	\$73,793,343
<u>Debt Reserve Fund</u> (8.5 percent of Bond Issue)	7,027,157
<u>Professional Services</u> (See Comment No. 3)	<u>245,000</u>
Total	\$81,065,500

Comments: 1. Noise easements are purchased by the Airport from each of the five cities participating in the MOU. However, contractors for the actual installation of the noise insulation are selected by the five cities.

2. According to Mr. Fermin, the MOU stipulates the overall amount to be allocated for the purchase of the noise easements, and the Airport and the five cities have agreed to a cap on the amount of funds to be allocated to each city. The average cost per easement is approximately \$15,000. Allocation of the funds for the proposed purchase of the noise easements is shown below:

<u>City</u>	<u>Average Cost Per Easement</u>	<u>Number of Easements*</u>	<u>Total Amount*</u>
Daly City	\$15,000	550	\$8,245,606
Millbrae	15,000	771	11,561,896
Pacifica	15,000	254	3,811,571
San Bruno	15,000	1,243	18,648,088
South San Francisco	15,000	<u>2,102</u>	<u>31,526,182</u>
Total		4,920	\$73,793,343

* Number and amount per the MOU between the Airport and the five cities.

3. Mr. Fermin advises that the Airport has previously conducted a competitive process to select the team of firms which provide professional and special services associated with the Airport's bond issues. The Airport has multi-year

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contracts with all member firms and has used their services for its last 8 bond issues. Mr. Fermin advises that professional and special services costs for the bond issue required for the noise mitigation program are estimated at \$245,000. The firm names, contract amounts, and MBE/WBE status of the firms are as follows:

<u>Firm</u>	<u>Amount</u>	<u>MBE/WBE Status</u>
Financial Advisors		
Lazard Freres Co.	\$62,400	No
Grigsby Branford Co.	57,600	MBE
Bond Counsel		
Orrick, Herrington, Sutcliffe	50,000	No
Law Offices of Pamela S. Jue	30,000	WBE
Airport Consultant		
John F. Brown Co.	40,000	No
Trustee		
First Interstate Bank	<u>5,000</u>	No
Total	\$245,000	

4. The City Attorney's Office has previously advised that the purchase of noise easements enables the City to comply with State legal requirements regarding mitigation of Airport noise, and should result in substantially eliminating legal costs to defend against noise-related lawsuits.

Recommendation: Approve the proposed ordinance.

Item 6 - File 101-95-66

Department: Treasurer/Tax Collector
Assessor

Item: Supplemental Appropriation Ordinance appropriating \$571,428 for salaries and mandatory fringe benefits to implement an Arbitrator's Award, which increases the rate of pay of Real Property Auditors and Appraisers, retroactive to July 11, 1994 through June 30, 1996.

Amount: \$571,428

Source of Funds: General Fund Reserve

Description: The International Federal of Professional and Technical Engineers, Local 21, represents Real Property Auditors and Appraisers in the City. Mr. Jon Holtzman of the City Attorney's Office advises that the current Memorandum of Understanding (MOU) between the City and Local 21 was established in 1994. The MOU provided that the parties agreed that there remained "outstanding disagreements over equity adjustments for . . . Personal Property Auditors and Appraisers" which would be submitted to the grievance arbitration procedure for resolution. The outstanding disagreement consisted of Local 21's request for a five percent salary level for Real Property Auditors and Appraisers above the salary level of Accountants. Mr. Holtzman advises that the City's position was that Local 21's request for a five percent salary level adjustment was not supported by an internal and external salary comparison and salary survey data.

In conformance with Ordinance 19-96, previously approved by the Board of Supervisors, Local 21's grievance was subject to binding arbitration between the City and Local 21. The Arbitrator, Mr. Walter L. Kintz, ruled in favor of Local 21. The Arbitrator's decision establishes a five percent premium for seven classes of Real Property Auditors and Appraisers over Accountants, based on greater demands and responsibilities placed on the Real Property Auditors and Appraiser, retroactive to July 11, 1994.

Fiscal Impact: The decision impacts 83 authorized positions, including 25 positions in the Treasurer/Tax Collector's Office, and 58 positions in the Assessor's Office. The maximum annual cost of the decision, based on Fiscal Year 1995-96 salaries for all currently authorized positions, is \$271,601, including salaries and fringe benefits, as detailed on Attachment 1. The total

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BUDGET ANALYST

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one-time cost of the retroactive pay increases for Property Auditors in the Treasurer/Tax Collector's Office and Property Auditors and Real Property Appraisers in the Assessor's Office, for the period of July 11, 1994 through June 30, 1996, for 51.2 pay periods, is \$571,428, as follows:

	<u>Permanent Salaries</u>	<u>Fringe Benefits</u>	<u>Total</u>
Assessor	\$357,564	\$58,521	\$416,085
Treasurer/Tax Collector	<u>133,479</u>	<u>21,864</u>	<u>155,343</u>
TOTAL	\$491,043	\$80,385	\$571,428

Comments:

1. Attachment 2 is a table showing a detailed calculation for the proposed supplemental appropriation. This table shows the average number of filled positions, their previous salaries, their new salaries as established by the Arbitrator, the average number of positions affected, and the total costs.

2. Mr. Holtzman advises that the Arbitrator's decision is binding on the City, unless there is a basis to challenge the decision legally. In regard to this decision of the Arbitrator, the City Attorney's Office has not identified a reason to challenge the decision legally, Mr. Holtzman reports.

Recommendation: Based on the advice of the City Attorney's Office, approve the proposed supplemental appropriation ordinance.

Annual Additional Cost Resulting from the Arbitrator's Decision, Based on FY 1995-96 Salaries

Class	Title	Previous Annual Salary	Proposed Annual Salary	Percentage Increase	Treasurer/ Tax Collector Positions	Assessor Positions	Total Additional Annual Salary Cost	Fringe Benefits at 16.3 %	Total Additional Annual Cost
4220	Personal Property Auditor	\$45,832	\$47,189	2.96	15*	11*	\$35,282	\$5,751	\$41,033
4222	Sr. Personal Property Auditor	51,078	57,394	12.37	6	8	88,424	14,413	102,837
4224	Principal Personal Property Auditor	61,126	61,753	1.02	4	3	4,389	715	5,104
4261	Real Property Appraiser	45,832	47,189	2.96	0	20*	27,140	4,424	31,564
4265	Sr. Real Property Appraiser	51,078	57,394	12.37	0	12*	75,792	12,354	88,146
4267	Principal Real Property Appraiser	61,126	61,753	1.03	0	4	<u>2,508</u>	<u>409</u>	<u>2,917</u>
TOTAL		n/a	n/a		10	15	\$233,535	\$38,066	\$271,601

* These numbers differ from those on Attachment 2, because Attachment 2 reflects an average of authorized, filled positions for the subject time period.
The above numbers reflect total current authorized positions.

Calculation for Supplemental Appropriation Request Attachment 2

<u>Class</u>	<u>Title</u>	<u>Present Bi-Weekly Pay</u>	<u>Proposed Bi-Weekly Pay</u>	<u>Approximate Number of Filled Positions*</u>	<u>Increase in Costs</u>
<u>7/11/94 to 6/30/95 (25.1 pay periods)</u>					
4220	Personal Property Auditor	\$1,723	\$1,790	24	\$40,361
4222	Sr. Personal Property Auditor	1,890	2,177	14	97,342
4224	Principal Personal Property Auditor	2,297	2,343	7	8,082
4261	Real Property Appraiser	1,723	1,790	22	36,997
4265	Sr. Real Property Appraiser	1,890	2,177	11	79,241
4267	Principal Real Property Appraiser	2,297	2,343	<u>4</u>	<u>4,618</u>
	<i>Subtotal</i>			82	\$266,642
<u>7/1/95 to 6/30/96 (26.1 pay periods)</u>					
4220	Personal Property Auditor	\$1,756	\$1,808	24	\$32,573
4222	Sr. Personal Property Auditor	1,957	2,199	14	86,959
4224	Principal Personal Property Auditor	2,342	2,366	7	4,385
4261	Real Property Appraiser	1,756	1,808	21	28,501
4265	Sr. Real Property Appraiser	1,957	2,199	11	69,478
4267	Principal Real Property Appraiser	2,342	2,366	<u>4</u>	<u>2,506</u>
	<i>Subtotal</i>			81	<u>224,401</u>
<i>TOTAL</i>					<u><u>\$491,043</u></u>

Total Supplemental Appropriation Request

	<u>Increase in Salary Costs</u>	<u>Fringe Benefits at 16.3 Percent</u>	<u>Total Supplemental Appropriation Request</u>
4220	\$72,934	\$11,939	\$84,873
4222	184,301	29,052	213,353
4224	12,467	1,965	14,432
4261	65,499	10,325	75,824
4265	148,719	23,443	172,162
4267	<u>7,124</u>	<u>1,123</u>	<u>8,247</u>
	\$491,043	\$80,385	\$571,428

* Approximate average number of filled positions during the time period, adjusted for vacancies

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Item 7 - File 101-95-68

Department: Department of Public Health (DPH)
San Francisco General Hospital (SFGH)

Item: Supplemental Appropriation Ordinance appropriating \$20,000,000 to allow San Francisco General Hospital to participate in the SB 1255 Disproportionate Share Payment Program.

Amount: \$20,000,000

Source of Funds: Various revenues to be certified by the Controller

Description: In 1989, Senate Bill (SB 1255) established a Disproportionate Share Payment Program, now known as the Emergency Services and Supplemental Payment Fund. This Fund provides a mechanism for additional supplemental payments to disproportionate share hospitals, such as SFGH. A disproportionate share hospital is defined as a hospital with Medi-Cal inpatient and indigent utilization higher than the State average. Under SB 1255, disproportionate share hospitals make voluntary transfer payments to the California Medical Assistance Commission. The State uses these funds to match Federal Medi-Cal funds, thereby increasing the total amount of Medi-Cal funds which can be made available to disproportionate share hospitals. The State then transfers increased Medi-Cal revenue funds back to the disproportionate share hospitals for the Medi-Cal patient days of service provided by such hospitals. SFGH is one of 41 hospitals Statewide which is eligible to receive funds under the SB 1255 Program, according to Mr. Peter Praetz of the DPH.

The DPH estimates that if this requested supplemental appropriation of \$20,000,000 is approved for payment by the City to the California Medical Assistance Commission, the State would allocate back to the City an estimated \$34,000,000 in Medi-Cal funds, for FY 1996-97, resulting in a net gain to the City of an estimated \$14,000,000 (see Comment 2).

The DPH reports that approval of the proposed legislation is being requested prior to the DPH knowing the exact amount of the net gain to be realized by the City, in order to permit the DPH to access these funds as soon as the State announces their availability. The DPH advises that, customarily there is only approximately a two to three week turn-around period between the time that the State

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announces the availability of revenue and the time in which the DPH must transfer the payment to the California Medical Assistance Commission in order to take advantage of the increased revenues.

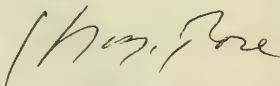
This is the ninth time that the DPH has participated in the SB 1255 Program. According to Mr. Dale Martin of the DPH, based on the City's last payments of \$20,000,000 to the California Medical Assistance Commission in FY 1994-95, the City received back from the State \$34,000,000 in Medi-Cal revenues resulting in a net gain to the City of \$14,000,000. Mr. John Madden of the Controller's Office advises that, as of the writing of this report, the Controller's Office had not yet verified the net gain of \$14,000,000.

Comments:

1. Mr. Madden advises that the Controller will not release any of the requested \$20,000,000 appropriation until formal notification is received from the State by SFGH indicating the specific level of Medi-Cal revenues that will be allocated back by the State to the City.

2. As noted above, it is estimated that this proposed legislation should result in net estimated additional Medi-Cal revenues to the City in the amount of \$14,000,000. According to Mr. Madden, the net additional revenues to be received by the City under SB 1255 would be used as revenues for purposes of funding the SFGH Fiscal Year 1996-97 budget.

Recommendation: Approve the proposed ordinance.


Harvey M. Rose

cc: Supervisor Hsieh	Clerk of the Board
Supervisor Kaufman	Chief Administrative Officer
Supervisor Bierman	Controller
President Shelley	Sam Yockey
Supervisor Alioto	Paul Horcher
Supervisor Ammiano	Ted Lakey
Supervisor Kennedy	
Supervisor Leal	
Supervisor Migden	
Supervisor Teng	
Supervisor Yaki	

